Daily Report

Latin America

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FBIS-LAT-89-024 *7 February 1989*

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Cuba

Further on Castro Comments in Caracas

Regional, Soviet Relations

FL0302193189 Havana Radio Rebelde Network in Spanish 1800 GMT 3 Feb 89

[Text] Commander in Chief Fidel Castro, in an interview with the Venezuelan press that was carried by Caracas television and newspapers, affirmed that the meeting of leaders from all over the world on the occasion of the presidential inauguration of Carlos Andres Perez will permit the development of the idea of a common policy on many problems.

Fidel has called the Caracas meeting very valuable. He said: The value of it is not so much in what is being discussed, but in the expression of an awareness of the need to coordinate, unite, and work together on our nations' large problems.

Regarding a possible visit by Carlos Andres Perez to Cuba, the commander in chief said that it would be a basic action of reciprocity. Fidel said: It is certain that there will not be a campaign against his visit, making reference to the media attacks against his presence in Venezuela. Everyone in Cuba will be very happy with a visit by Carlos Andres, Fidel added.

Regarding the new U.S. Administration, Fidel said that, based on conversations held with U.S. people, it seems that the United States is beginning to see the current reality of Latin America. If that is true, he said, it would be positive.

On the foreign debt—a main subject discussed at all the meetings held in Caracas this week—Fidel reiterated Cuba's willingness to cooperate in finding a solution to this serious problem of the underdeveloped nations.

In reference to a possible return to the OAS, Fidel said that if it benefited the continent we would be willing to join. He said it was necessary for Latin America to put aside rhetoric and move on to actions for integration. He added: There has not been enough political will to solve those difficulties.

Regarding a supposed rejection of the Soviet Union's perestroyka policy, Fidel clarified that he respects it as the solution to the problems of the USSR.

During the approximately 40-minute interview with the Venezuelan press, Fidel considers the future normalization of diplomatic relations between Cuba and Venezuela as fact. The only problem, he said, would be of a financial nature, because of the high cost of this undertaking.

U.S. Reaction to Visit

FL0402032589 Havana Television Service in Spanish 0100 GMT 4 Feb 89

[Text] Commander in Chief Fidel Castro's presence here in Caracas has been the focus of attention for the media and broad sectors of Caracas public opinion.

[Begin recording] [Castro] I could not disregard Carlos Andres Perez' invitation. I had to come after he invited me and there was so much controversy regarding the invitation. The U.S. ambassador also was involved in the controversy. He said the United States would not like for me to come. I thought this was interference. This increased my desire to come here.

[Unidentified reporter] President, in the hours you have been in Caracas, in the contacts you have had with Latin American dignitaries, have you detected any sign that this meeting of notable people from Latin American politics...

[Castro, interrupting] And the world.

[Reporter] Exactly, and the world...

[Castro, interrupting] Because Felipe [Gonzalez] is not from Latin America. It would be Ibero-American.

[Reporter] Ibero-American. Could a concrete initiative aimed at getting Latin America out of its big problem, the foreign debt, come about?

[Castro] I believe a movement is gestating. It is preceded by an awareness by Latin American countries of the need to act in a concerted way and to act united and with solidarity to find a solution to these problems. Not only the foreign debt problem, but unequal trade, the need for a new international economic order, the need to end protectionism, dumping [preceding word in English], and a number of measures that damage Latin American countries terribly. So, we could say that an awareness of all this is gestating.

It would not be as important and it is not as necessary for an initiative to come up. The important thing is to express a will for unity and a common struggle. It is very difficult to thoroughly analyze problems in events such as this one. This is not a meeting to analyze a problem; it is a meeting to attend an event. People from all parts of the world are meeting here. There are people from OPEC, people from the Social Democracy, people from all countries, people from the Nonaligned Movement, and Latin American people. [Words indistinct] a number of [words indistinct] it is impossible to analyze in-depth a problem. This doesn't mean that an initiative is going to come out of this. It means that people are uniting forces. [end recording]

Viera on Diplomatic Relations With Venezuela

PA0602171989 Havana International Service in Spanish 0000 GMT 4 Feb 89

[Text] Cuban Deputy Foreign Minister Jose Raul Viera has said in Caracas that one cannot talk about Venezuela and Cuba resuming relations because, he said, relations have not been suspended since their resumption during President Carlos Andres Perez' first term in office.

During an exclusive interview with Radio Havana Cuba, Viera said that Venezuela has kept its diplomatic mission open in Havana during all these years; therefore, he said, one should talk instead about reopening the Cuban Embassy in Caracas, which was closed following the incidents in Barbados in 1976.

As for the Latin American integration process, the Cuban deputy foreign minister said that statements made by Cuban President Fidel Castro and Venezuelan President Carlos Andres Perez demonstrate each nation's commitment to seeking political solutions to the Central American conflict and to strengthening Latin American unity.

Despite obstacles, Viera added, relations between Havana and Caracas have increased, especially in the areas of trade and tourism.

Internationalist Combatants Arrive From Angola

Risquet Leads Welcome

FL0402034589 Havana Television Service in Spanish 0100 GMT 4 Feb 89

[Text] Jorge Risquet, member of the PCC Politburo, was at the head of those who welcomed the internationalist combatants returning to the fatherland today. Shortly after 1400, the Soviet ship "Leonid Sobinov" entered Havana Bay with close to 1,000 combatants who left the sister People's Republic of Angola on 15 January.

Already 3,000 combatants have arrived. In this way, Cuba is ahead of schedule in fulfilling one of the agreements signed in New York. This is a gesture of our country's political will and shows the strictness and seriousness with which work has been performed to guarantee Angola's integrity and compliance with UN Resolution 435 for Namibia's independence. [video shows ship arriving in port, people heard chanting slogans, crowd waves flags and applaud]

Raul Castro Cited

FL0402041489 Havana Television Service in Spanish 0100 GMT 4 Feb 89

[Text] This afternoon, Army General Raul Castro, second secretary of the PCC Central Committee and minister of the FAR, presided over the welcoming ceremony for the nearly 1,000 internationalist combatants who arrived victorious in the fatherland aboard the Soviet ship "Leonid Sobinov."

[Begin recording] [Jorge Risquet, member of the PCC Politburo, in progress] ...the hope to know that with such a firm and unbreakable relief the flag of the first free territory of America, the banners of the independence and sovereignty of the fatherland, the cause of the Marxist-Leninist ideology that our revolution defends, will be turned over to good hands, to powerful and invincible fists, which will always maintain those standards straight and magnificent. Nothing, no one, will be able to fetch them, break them, or change its symbolism of revolutionary inflexibility and fidelity to the principles, its slogan of fatherland or death [crowd responds: We will win], socialism or death. [crowd chants]

[Raul Castro] Finally, the reason I add to Risquet's words a few of mine is that exactly 5 minutes before I left my office at the MINFAR [Ministry of Revolutionary Armed Forces] building to participate in this enthusiastic welcoming, I received a phone call from Caracas. Carlos Aldana, secretary of the PCC Central Committee, talked to me on behalf of the commander in chief, who is at this time holding numerous meetings with various chiefs of state and government participating with him in the transfer of power to President-elect Carlos Andres Perez.

He said that since the commander in chief knew that we would hold the welcoming ceremony here at the Universal Hall at 1700 today, he sends to you, from the land of Bolivar to the land of Marti—or vice versa, because all the Latin American land is of Bolivar and Marti—a strong embrace, dear comrades. [applause] [end recording]

Socialist Womens Organizations Meet in Havana

FL0602134589 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Feb 89

[Text] The meeting of leaders of womens' organizations of socialist countries begins in Havana's Palace of Conventions today. Family and socialism, equality in the family, and the influence of this principle in the education of new generations will be discussed, along with other subjects. This type of meeting, which is held periodically, will end Wednesday [8 February].

Electric Power Difficulties Reported

FL0602134189 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Feb 89

[Text] Difficulties in the supply of electric power to the main building of the Cuban Radio and Television Institute, ICRT, affected partially the transmissions of the Cuban Television, Radio Reloj, Radio Rebelde, and Radio Taino stations. The quick action of the ICRT and Basic Industry Ministry technicians got service back to normal within a short period of time. The ICRT apologizes to television viewers and radio listeners for the difficulties caused by this situation.

Ambassador to Vatican, Malta Appointed

FL0602134089 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Feb 89

[Text] The Council of State has appointed Comrade Fermin Rodriguez Paz as Cuban ambassador to the Holy See and the sovereign and military [as heard] Republic of Malta. At the time of his appointment, Comrade Rodriguez Paz was deputy director of the Foreign Ministry's Western Europe Directorate.

* Social, Economic Development Goals Detailed

32480064a Havana GRANMA in Spanish 24 Dec 88 p 3

[Text of Law on Sole Economic and Social Development Plan for 1989]

[Text] I, Severo Aguirre del Cristo, president (p.s.) of the National People's Government Assembly of the Republic of Cuba, do hereby make it known:

That the National People's Government Assembly, in this Fourth Regular Session of the Third Legislature, has approved the following:

Whereas: Pursuant to Article 16 of the Constitution of the Republic, the state organizes, directs, and controls national economic activity in accordance with the Sole Economic-Social Development Plan, which is drawn up and executed with the active and conscientious participation of the workers of all sectors of the economy and other spheres of social life; and

Whereas: The Central Planning Board, pursuant to Article 54, Paragraph b) of Decree-Law No. 67, On the Organization of the Central Administration of the State, dated 19 April 1983, with the participation of the factors of political and administrative leadership of the country, following a coordinated and comprehensive analysis of the current economic difficulties, drafted the bill for the Sole Economic and Social Development Plan and submitted it for the consideration of the Council of Ministers; and

Whereas: The Council of Ministers, pursuant to Article 96, Paragraph b) of the Constitution, has presented the corresponding bill for the Sole Economic and Social Development Plan for 1989 to the National People's Government Assembly; and

Whereas: The National People's Government Assembly, having discussed the aforementioned bill, considers that the results of the execution of the 1988 plan represent confirmation of the advancement of the people, especially the workers, in the process of rectifying errors and negative tendencies in the country's economic activity.

The pernicious consequences of the gradual deterioration of the world economy, in particular the limitations imposed by the international terms of trade insofar as the availability of freely convertible currency is concerned, have become obvious. Moreover, the cumulative effect of several years of drought and low sugar prices has also been felt in this situation. At the same time, the petroleum market, to which fuel savings have been exported, has depreciated further. In spite of this, the economy has continued to develop, with growth estimated at 2.3 percent; and

Whereas: In 1989 the national economy will continue to be affected by the deficit in the balance of payments in freely convertible currency and the other adverse factors that prevailed in 1988, and as a result an extraordinary effort will have to be made to deal with and overcome the organizational insufficiencies and the persistent lack of appropriate rationalization in the economy with a view to producing more with existing resources and continuing the policy of conserving energy, materials, and raw materials.

In addition, the importance of the investment process has been seen in the plan, with top priority given to those investments that generate or save foreign exchange, those that are involved in food production, and those that solve major economic problems, as well as those that respond to social needs such as housing and other projects aimed at improving the people's living conditions.

The plan, despite the difficult circumstances surrounding its formulation and the ones that will prevail during its execution, is aimed at supporting consumption by the population and continuing the country's economic development.

Therefore: The National People's Government Assembly, by virtue of the powers vested in it to approve the Sole Economic-Social Development Plan of the State for 1989, submitted to it by the Council of Ministers, adopts the following [law].

Law on the Sole Economic and Social Development Plan of the State for 1989

Article 1. The Economic-Social Development Plan of the State for 1989 governs the activities corresponding to the period from 1 January to 31 December 1989, and compliance with it is mandatory for all the central agencies and organizations of the state, all local organs of the People's Government, and all enterprises and budgeted units.

Article 2. The following directive indicators apply to the entire national economy in 1989:

	Unit of Measurement	
Growth of global social product	%	1.5-2.5
Growth of industrial sector	%	3.0-4.0
Increase in exports of goods	%	4.0-5.0
Increase in nonsugar exports	%	10.0-12.0
Increase in imports of goods	%	6.0-7.0
Rate of accumulation	%	17.0-18.0
Growth of labor productivity	%	1.0-1.5
Cost per peso of production	pesos	0.965

Article 3. Indicators for consumption and services to the population are planned as follows:

	Unit of Measurement	
Increase in circulation of goods	%	1.5-2.0
Housing units to finish	one	41,000
Inhabitants per physician	one	309
Growth of health care beds	%	6.5
Growth of social assistance capacity	%	10.0
Growth of enrollment in daycare centers	%	12.0

Article 4. The Council of Ministers is hereby instructed to organize, direct, and control the execution of the Sole Economic-Social Development Plan for 1989 through the Central Planning Board, other agencies of the Central Administration of the State, and local organs of the People's Government, within the respective purviews of each, reporting on such activities to the National People's Government Assembly.

Article 5. In addition, the Council of Ministers shall examine the recommendations and observations made by the deputies in discussing the Sole Economic-Social Development Plan for 1989 by the National People's Government Assembly, and shall adopt measures to contribute to the more efficient execution and control thereof.

Article 6. The Council of State is expressly authorized to introduce the modifications proposed by the Council of Ministers in the directive indicators contained in the approved plan, bearing in mind the economic or social imperatives that arise as a consequence of the difficult conditions in which the process of execution takes place.

Final Provision

This law shall take effect as of the first day of January of the year nineteen eighty-nine.

Done in the Meeting Hall of the National People's Government Assembly in the city of Havana this twenty-third day of the month of December in the year nineteen eighty-eight.

Severo Aguirre del Cristo

* Assembly Approves State Budget Law for 1989

32480064b Havana GRANMA in Spanish
24 Dec 88 p 7

[Text] I, Severo Aguirre del Cristo, president (p.s.) of the National People's Government Assembly of the Republic of Cuba, do hereby make it known:

That the National People's Government Assembly, in the Fourth Regular Session of the Third Legislature, has approved the following:

Whereas: The Council of Ministers, pursuant to Article 96, Paragraph e) of the Constitution of the Republic, in relation to Article 20 of the Organic Law of the Budget System of the State, has drawn up and submitted the draft State Budget for 1989 to the National People's Government Assembly for its consideration, discussion, and approval, as set forth in Article 73, Paragraph e) of the aforementioned constitutional text and law; and

Whereas: The draft budget submitted ensures economic development and social programs, in keeping with the plan for the economy; and

Whereas: The draft budget reflects in several activities a decrease in budget unit spending, without affecting the quality of services, in keeping with the need for improved management of financial resources; and

Whereas: The National People's Government Assembly has discussed the aforementioned draft and considers that the purposes and objectives set forth therein represent greater economic efficiency while also enhancing strict controls over the allotted resources;

Therefore, the National People's Government Assembly adopts the following [law].

Law on the State Budget for 1989

Article 1. The State Budget for 1989, which is set forth in the following articles, shall be in effect from 1 January to 31 December of the year of reference.

Article 2. The State Budget for 1989 is composed of the following revenues and outlays:

Revenues	Millions of Pesos
From payments and other contributions by the state sector of the economy	11,692.3
From taxes and other contributions by the non-state sector of the economy	41.1
From taxes and duties levied on the population	170.1
Total revenues	11,903.5
Outlays	
Financing of productive sphere	4,975.1
Financing of housing and community services	859.8
Financing of education and public health	2,906.2
Financing of other sociocultural activities and scientific activities	2,300.8
Financing of administrative expenses of the organs of the People's Government, the courts, the Public Prosecutor's Office, and other agencies and organizations of the state	524.5
Financing of defense and internal order	1,377.4
Financing of other activities	304.8
Undistributed financing	278.9
Total outlays	13,527.5
Deficit	1,624.0

Article 3. The provincial budgets shall receive as their own revenues a share equivalent to 10 percent of the contributions made by the national subordinate enterprises located in their territory on the basis of their earnings.

Article 4. The tax rate for the Social Security Contribution referred to in Article 22 of Decree-Law 44 of 1981 is hereby set at 10 percent.

The agencies and organizations of the state, enterprises, unions of enterprises, budgeted units, political, social, and mass organizations, and the subordinate enterprises of such organizations shall make the aforementioned contribution to the budget at a rate of only 8 percent.

The remaining 2 percent of said tax rate shall remain at the disposal of the aforementioned entities that are obligated to make such contributions, which shall use such funds to pay the short-term social security benefits of the workers employed by them, pursuant to the regulations issued by the State Finance Committee.

Article 5. The amounts corresponding to the collection of taxes, contributions, and other payments, both from the local budgets and from the central budget, and to the current account savings on locally subordinated budgeted activities, obtained through cost cutting, the reduction of unitary norms, and other measures, and through the decrease in current spending on selected indicators of enterprise activity, shall remain at the disposal of the provincial and municipal organs of the people's government.

The State Finance Committee shall establish the percentage scales applicable to the revenues and savings of the aforementioned spending items, and all other provisions that are required for the purposes of regulating the formation and utilization of said fund.

Final Provisions

First: The Council of Ministers is hereby authorized to make the corresponding adjustments in the revenues and outlays of the state budget, as a consequence of the modifications made in the Sole Economic-Social Development Plan and the state budget during the evaluation and analysis conducted by it and by this assembly.

Second: The Council of Ministers is hereby authorized as well to approve the revenues and outlays of the provincial budgets, the shares of the circulation tax, and the allocations to be received from the central budget.

Third: Any legal provision or regulation that precludes the enforcement of this law is hereby repealed. This law shall take effect as of the first day of January in the year nineteen eighty-nine.

Done in the Meeting Hall of the National People's Government Assembly in the city of Havana on this twenty-third day of the month of December in the year nineteen eighty-eight.

Severo Aguirre del Cristo

* Fishing Industry Production Up in 1988

32480065b Havana GRANMA in Spanish
24 Dec 88 p 1

[Article by Orlando Gomez]

[Text] The approximately 42,000 workers in the Fishing Industry are celebrating the 30th anniversary of the triumph of the revolution as they fulfill the plans for catching, distributing, and exporting fish this year.

At the end of the second 2-week period of December, 104 percent of the plan for catching fish had been fulfilled. Thus, it is expected that by 31 December the total will be 230,000 tons, the second-largest total in the country this year. Thus, this important activity has registered a growth of 7 percent over 1987.

The fishermen of the Cuban Fishing Fleet and the Cuban Tuna Fleet, as well as the collectives of the enterprises that operate on the continental shelf (the Industrial Fishing Combines of Batabano, Cienfuegos, Villa Clara, Casilda, Santa Cruz del Sur, Manzanillo, and the Isle of Youth), have distinguished themselves in obtaining these positive results. The Fishing Enterprises of Pinar del Rio, Matanzas, Ciego de Avila, and Holguin also achieved outstanding results.

In the distribution of fish to the population, last 20 December the annual plan was fulfilled; it is estimated that by 31 December the total will be 116,400 tons of sea products. This year, the amount of seafood supplied for national consumption is 6,400 tons higher than in 1987, resulting in a 6-percent growth rate.

Another important plan that is about to be fulfilled is that of exports by the Ministry of the Fishing Industry (MIP). At this time, fishermen and port workers are striving to complete the last shipments to ensure 100 percent fulfillment of the plan. These exports are a significant source of hard currency for the country. The most outstanding products are lobster and shrimp.

In the area of shrimp farming, this year's harvests are 45 percent larger than those obtained in 1987, totaling 500 tons. The performance of the workers at the Manzanillo, Granma station was the most outstanding.

The fishermen in the aquiculture sector will finish up the year with a total catch of 15,000 tons, some 1,500 tons less than the plan called for. The reason for the shortfall was the problems caused by the drought of previous years, which ended in May of this year. In the last few months, the volumes and surfaces of water were brought up to the necessary levels, but despite the effort that is still under way, the plan will not be fulfilled. Nevertheless, this year some 33 million fingerlings of various species were raised, which should have a positive impact on the growth of the 1989 catch.

Other tasks of the Fishing Industry, such as ship construction and repair, grew by 8 percent over last year's volume, thus exceeding production plans.

Barbados

New Political Party, Reaction Examined

FL0202172089 Bridgetown CANA in English 1657 GMT 2 Feb 89

[Text] Bridgetown, Barbados, Feb 2, CANA—It was heralded for months in the press. It finally came February 1—the announcement of a new political party in Barbados, headed by resigned finance minister in the ruling Democratic Labour Party [DLP], Dr Richard Haynes.

Haynes, 52, told a news conference that he and three other disgruntled DLP backbenders had resigned from the party to form the National Democratic Party [NDP] and would be challenging both long-established parties here.

The new NDP leader declined to give details of the party's rank and file membership, except to say that he expected it to be not less than 2,000 in about three weeks time. The formation of the NDP slashed the DLP's majority in the 27-member House of Assembly by four—from 24 to 20—the other three seats being held by the 50-year-old Barbados Labour Party [BLP], led by prominent lawyer and former Attorney General Henry Forde.

Haynes, an affluent medical specialist whose economic package helped spearhead the DLP's historic landslide election win in 1986, has been joined by outspoken businessman Peter Miller, Edgar Bourne, and insurance assessor and lawyer Richard Byer. All four men had been at loggerheads with the party ever since last April's parliamentary debate on Prime Minister Erskine Sandiford's controversial 1988/89 budget, which imposed a record 110 million dollars [1 BDS dollar equals 50 U.S. cents] in additional taxes.

Under the glare of TV lights, the quartet attacked the budget as a gross abrogation of the DLP's election manifesto pledge of drastically reduced personal and corporation taxation.

Haynes, who is credited with devising the programme of large-scale tax cuts that the DLP introduced after its resounding 24-3 win two-and-a-half years ago, resigned as finance minister in 1987, over what he said was the prime minister's failure to consult with him on the appointment of a new central bank governor.

Politically the emergence of the NDP is expected to have an immediate effect on the BLP, which with the DLP has traditionally dominated politics here. Barring some accomodation between the BLP and the new NDP, Haynes, with his larger majority on the opposition benches—four seats to the BLP's three—will automatically take over from Forde as parliamentary leader of the opposition, effectively diluting the BLP's voice in the House.

Under the Constitution, the leader of the opposition appoints two of the 21 members of the Senate. The BLP will therefore lose its voice in the upper chamber. With Forde recovering from surgery, acting leader of the BLP, David Simmonds, told the news media after the NDP announcement that he expected Haynes to be named opposition leader in keeping with the relevant provision in Constitution.

The BLP, in a prepared statement, said that "sitting in opposition as a centre of opposition will not be a new experience" for the party, the situation having arisen before in 1961. The party predicted that Barbadians will "pay a price by way of political instability after February 1, 1989."

[Text] Responding to media reports of substantial backing for the new party from the business sector, Haynes said he had received no money from anyone, but "would welcome" contributions to the party, provided the donors were "not expecting any favours".

The NDP leader, questioned too about frequent allegations that he is "power hungry" responded that his main concern was in "making a contribution. We are prepared at all times to put those high values of integrity and honour above all else...and we believe that the majority of people in Barbados would respond to men and women who offer themselves and try to, at all times, project those high ideals which are critical to the development of Barbados."

Haynes listed as the main aims and objectives of the NDP:

—To promote a just and caring society;

—To foster social cohesion, neighbourliness and mutuality among all sections of the community;

—To defend the social, economic and political rights of all Barbadians;

—To protect the poor, the young, the old and the disadvantaged;

—To ensure efficiency, integrity and accountability in the management of public affairs;

—To develop a profound symbiosis between the public and private sectors of the economy;

—To secure continual improvement in the standard of living of all Barbadians;

—To strive for deeper integration among Caribbean peoples and for peace among the nations of the world.

The timing of the NDP's "foundation meeting" is yet to be announced but Haynes said the party will name election candidates "of integrity" for the 27 parliamentary constituencies in due course.

DLP insiders say the party was anxious to see the "dissidents" go. The four stayed away from the January 31 meeting of the house of assembly, when Prime Minister Sandiford in fact said as much. "Those who are not comfortable within the DLP, let them go," he declared. He held out little hope for the success of a third political force. Said Sandiford: "There have been many attempts in the past to have third parties. They have risen up and in a few weeks they are no more. There are (only) two great parties in Barbados, the DLP and BLP will seek to represent the interests of the people of this country."

Sandiford, who was abroad when the NDP announcement came, is adamant about the rightness of his economic policies, last December reporting that government's overall deficit had been cut in half to BDS 104 million dollars, foreign reserves were at 360 million dollars—63 million dollars more than a year earlier—and that more people were employed than at any time in Barbados history.

Dominican Republic

Fatal Bomb Linked to Leftist Organization

FL0302190089 Santo Domingo Radio Mil Network in Spanish 1008 GMT 3 Feb 89

[Summary] "Barahona—A little girl died when a homemade bomb she found in a car exploded as she was playing with a friend. The victim of the regrettable act was 6-year-old Chubel Gistren Garcia, who lived with her mother Altagracia Garcia." The little girl was rushed to the Barahona Hospital, where she died hours later.

The Barahona police investigating the tragedy at the little girl's house have found fragments of the bomb "as well as a banner and a [word indistinct] of the leftist organization Anti-Imperialist Patriotic Union."

It has been reported that investigations are being conducted into this matter.

Haiti

3 Political Parties Call for 8-9 Feb Strike

FL0302182689 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Feb 89

[Text] We have received a joint communique—the fourth one issued—written by PDCH [Haitian Christian Democratic Party] President Sylvio Claude, PAIN [National Agricultural and Industrial Party] President Louis Dejoie II, and UPD [Union of Democratic Patriots] President Rockefeller Guerre.

They say: Considering the uncivil, inhuman, wishy-washy [demisyone] behavior of the government of General Prosper Avril in the face of the fate of Haitians abroad—more specifically, the Haitians living in the Dominican Republic who died in the traffic accident there—behavior which these three leaders say constitutes a national shame and has provoked revulsion, a sort of repugnance, on the part of the Haitian people in general;

And considering that instead of guaranteeing peace and security in Haiti, the government has, through its information minister—for the interior minister has confirmed what the information minister said—taken a series of measures to increase repression through the force of arms and to realize a well-calculated plan to massacre the Haitian people, a plan to carry out a genocide against the Haitian people, and is inventing extremist plots, while using color prejudice to divide the Haitian family, encouraging an uprising of the masses against a certain sector of the population;

In the name of the political and union organizations that had formed a democratic bloc and (?tried to be open with) the government, they are calling for a 48-hour general strike on Wednesday and Thursday, 8 and 9 February 1989, throughout Haiti.

All political parties; civic, professional, peasants, and religious organizations; neighborhood committees; union federations and organizations; merchants; industrialists; workers; peasants; students; drivers of both private and public transportation vehicles; and government and private sector employees are asked to support this strike and to take all measures necessary to ensure the success of this strike, which is to be total and complete.

The three leaders further write that this strike represents a stage in the direction of a final objective and that it will have the force of a referendum against the government of Gen Prosper Avril.

Gonaives Demonstration Scheduled for 9 Feb

FL0302183689 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Feb 89

[Text] The police used big billy clubs to disperse several hundred people who had taken to the streets in Gonaives yesterday [2 February] to demonstrate against the Avril government. The demonstrators had already erected flaming barricades in the streets, says our Gonaives correspondent.

[Begin correspondent Joseph recording] There was a lot of action today, 2 February, in Gonaives, because of a demonstration against General Prosper Avril and Sergeant Joseph Heubreux. The Haitian Army quickly intervened with big billy clubs and heavy weapons at the ready. The soldiers beat many people in the Lot Bo Kanal area, and it seems that even innocent bystanders got beaten.

Tires were burning at many intersections in the Raboteau area by 0600. As usual, to prevent the police from intervening the demonstrators removed all the bridges that link Raboteau to the rest of Gonaives. Meanwhile, there were many (?irate-looking people) at many intersections.

Using a Toyota jeep, the Army managed to get across the obstacles anyway. They began putting out the fires and pressuring everyone standing around in the area.

A little later, at 1000, a rumor to the effect that the activity had spread to Lot Bo Kanal, another densely populated part of town, began circulating. The same Army jeep, full of soldiers, headed for Lot Bo Kanal, where the soldiers hit several people with the big billy clubs they were carrying—people who were standing by watching, and people the police had asked to put out the fires and who had refused. The military beat these people and prevented them from demonstrating against the Avril-Heubreux government.

In view of this panic, many schools—such as the Lycee [name indistinct], the Lycee (Fabre Geffrard), and many primary schools—shut down. The students went home.

Finally, in a press release signed by two or three Lot Bo Kanal leaders, a demonstration against the government of Gen Prosper Avril and Sgt Joseph Heubreux is scheduled to be held here in Gonaives on 9 February.

This is Jean Bouchereau Joseph, Radio Soleil, Gonaives. [end recording]

MDN Support for Peaceful Demonstrations Noted

FL0302185889 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Feb 89

[Text] In a press release, Mobilization for National Development—MDN—leader Hubert de Ronceray renews the MDN's support for all peaceful, unarmed demonstrations currently being held in Haiti with a view to obtaining respect for and fulfillment of all the desires of the majority. De Ronceray adds that he is certain that this new explosion of February 1989 will fully consecrate the end of the nightmare that Haitians are living and at the same time be the harbinger of a new period of national social and economic renewal for the entire Haitian people.

That was the MDN on the demonstrations throughout Haiti.

MPP Members Issue Note on Memorandum

FL0402015289 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Feb 89

[Text] In a press release issued this morning and signed by 110 of its members, the Papaye Peasants Movement [MPP] calls on all organizations of the Haitian people and everyone who wants to save Haiti to rise up and stand beside the MPP and all other organizations to bar the way of the train of death that is preparing to run down the MPP. As for the minister, the 110 members of the MPP reserve the right to haul Minister Virginie Saint-Pierre into court.

Bourjolly Denounces Information Minister

FL0402020689 Port-au-Prince Radio Metropole in French 1700 GMT 2 Feb 89

[Excerpts] We were talking about reaction to this Ministry of Information document accusing certain political and union organizations of plotting against the government. Max Bourjolly, the number two man of the PUCH [Unified Party of Haitian Communists], expressed his party's astonishment and indignation in the face of this imaginary plot dreamed up entirely by the minister. [passage omitted]

It is imperative that Minister Saint-Pierre be fired, says Bourjolly.

After the Interior Ministry issued a communique confirming the document's authenticity, Bourjolly also criticized the attitude of President Avril, who did not fire the minister despite the outcry of indignation which this affair has caused.

[Begin Bourjolly recording, in Creole] [Passage omitted] However, it is not normal for a minister of information to take the place of the minister of interior. And I have the impression that the Ministry of the Interior, by the way it reacted, admits in principle that it is under the (?thumb) of the minister of information. That is, the minister of information is considered a superminister.

Another thing is that I remember when the minister of commerce issued a communique on the problem of prices in Haiti shortly before the Christmas holidays. This was prejudicial to the merchants, to the bourgeois. It hurt their profits and they rose up against it. The government very quickly got rid of the minister, replacing him.

Whereas here, the government comes and takes this report and even follows up on the report—it announced that it had begun to follow up on the report—and they sent people out to question people all over the place! Yet this report calls for repression, asks for a limitation of citizens' freedoms in Haiti. It is a report that talks of mulattos, plots, and all kinds of things.

Now, given the nature of this report, which reminds one of Duvalierism's darkest period... [changes thought] The government finds it normal for the ministry to make such a report and says that it had begun to follow up on the report.

The country rises up in anger and the entire political class protests the report and the minister's behavior—but so far, the minister is still the minister of information.

We know the government has two ways of dealing with dossiers.

One of the measures the government should take immediately, in order to be able to continue to say that it wants dialogue, and in order for people to be able to believe it, is...[changes thought] It must fire Virginie Saint-Pierre. This is one of the most immediate actions it can take while awaiting a consensus for a national coalition government. [end recording]

KONAKOM Press Release Rebuts Accusations

FL0402005589 Port-au-Prince Radio Metropole in Creole 1700 GMT 2 Feb 89

[Excerpts] KONAKOM [National Committee of the Congress of Democratic Movements] says in a press release: On 31 January, everyone was very shocked to hear over the radio the great accusations made by the military government's minister of information against a number of persons and organizations struggling in the people's camp for democracy. This is the same minister we saw involved with General Namphy and the macoutes in all the crooked wheelings and dealings [konfiolo] aimed at crushing the people and preventing democracy from really being established in Haiti.

Still worse, on 1 February the government assumed paternity of this matter through a note signed by the Ministry of Interior. [passage omitted]

Among the political figures this document accuses is Victor Benoit, KONAKOM spokesman.

It is absolutely clear to everyone that all these accusations—the alleged plot against the Avril government, the alleged intention to provoke an armed revolt in the central plateau and the Artibonite—are a pretext to crush the democratic forces struggling for change. The government accuses (?everyone) of plotting, and they say communists are involved so that the Americans and the reactionary oligarchy will be on their side.

It is extremely serious—Machiavellian—for a government that says it wants to work toward democracy to use lies and to persist in crooked wheeling and dealing to find an excuse to establish terror throughout the country. We will shortly be seeing them send people on television to pretend to be witnesses, as usually happens.

That is why KONAKOM says this is a plot against the Haitian people and against all democrats struggling for real change.

When the government says this report is normal and that it exists to ensure the protection of society, it's all a bluff, KONAKOM says, because despite all the crimes being committed throughout Haiti by armed individuals, despite all the people—both children and adults—being murdered, the government does nothing to disarm the macoutes the way all the Haitian people are asking it to do.

KONAKOM reminds everyone that the positions KONAKOM takes and everything it does are always clear. Its political line is a constitutional and peaceable one, as we reaffirmed on the occasion of the organization's 2d anniversary.

In the face of this serious danger today threatening the nation, it is necessary for all peasant organizations, unions, youth movements, religious organizations,

socioprofessional organizations, and political organizations struggling for democracy and real change to remain vigilant and mobilize in order to not be caught in the enemy's trap. Today more than ever, all these forces should (?meet and) unite. This is the only way for the people's camp to win out.

In solidarity with one another, and with our heads set squarely on our shoulders, we will change things.

That is how the KONAKOM people end their press release.

Benoit Makes Statement

FL0402010889 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 2 Feb 89

[Excerpts] Reaction is still flowing in following the publicizing, 2 days ago [31 January], of the memorandum addressed to General Prosper Avril by Mr Anthony Virginie Saint-Pierre—a memorandum everyone sees as criminal and cynical and which asks the authorities, especially the Haitian Armed Forces, to continue to repress the population. [passage omitted]

[KONAKOM Secretary General] Victor Benoit, who is presently in Venezuela where he and several other Haitian political figures are attending the inauguration of Venezuela's new president, has reacted against the contents of the minister of information's document. He also reacts against the government's position on that document. He says it is not by chance that it is the leaders who have decided not to participate in the forum to be held next 9 February who have been involved in this vile affair. Benoit considers the position of the government, which approves of all this, very serious.

Victor Benoit announced that he is returning to Haiti Friday, and says that his life is in the hands of the minister of information and the rest of Gen Prosper Avril's government.

[Begin Benoit recording] We live in Haiti, where there is insecurity, where crimes are being committed. They have named, in a text like that, a number of democrats, claiming they were involved in subversive activities with a view to destabilizing the government. I think this is very serious.

When I put everything that people tell me is in that text together with the climate of insecurity and the crimes being committed in Haiti, it is my opinion that this is part of a global plan that the macoute sector, which hates the idea of things changing in Haiti, is setting up so that it can create disorder in the country and blame the democratic sector for it. And I do not think that it is by chance that they have chosen at this particular moment to name people who have said that they are not willing to participate in the forum the government is going to hold. They name me, Victor Benoit, Chavannes Jean-Baptiste, and a group of other people. I think this is a maneuver, and we insist on denouncing it. And I have learned something else that I also think is very serious. I have been told that last night the Haitian Government issued a communique in which it says that it endorses, in which it takes a stand in favor of, this document.

When, in a text like that, we hear them clearly speaking of setting up an intelligence service, we wonder: Is this another S.D. [political police—expansion not given] that they want to set up? Do they want to set up the same practices as Luc Desyr and Ti Boule [former police leader Albert Pierre]?

Well, to all this we answer that if the Haitian people have been struggling since 7 February, it is because it wants to put an end to this kind of forceful repression. This kind of thing is a (?low blow), and the country wants an end to it.

I, Victor Benoit, secretary general of Konakom, have taken a stand on this matter. I issued a communique by phone last night that is to be sent to the press. As a citizen who feels that his honor has been sullied, I reserve the right to (?take this matter) before the courts in Haiti at the appropriate moment.

I am presently in Caracas, Venezuela attending the inauguration of a social democratic president, Carlos Andres Perez. I am returning to Port-au-Prince Friday. I am informing national and international public opinion that my security is in the hands of Minister Virginie Saint-Pierre and the president of the Republic himself. [end recording]

KID Urges Mobilization, Assails Forum

FL0402011989 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Feb 89

[Excerpts] The Confederation for Democratic Unity, KID, says it is shocked to hear about how the Avril government has decided to again fire up the macoute motor, to get it running as it did before 7 February 1986. KID points out, so that all can see clearly, that all these things are happening while the dignity of the Haitian people is being trampled; while poor wretches are being taken to cut cane and lose their lives and be humiliated and live like slaves in the Dominican Republic; while Haitians are being abused at the Krome camp in Miami, in Guyana, and so forth; and while U.S. Marines are coming in and operating openly in Haitian territory. [passage omitted]

KID wonders if, despite the brigandage of Avril's macoute policy, there will be people willing to sit down with him under the pretext of holding a dialogue at this forum—which is only demagogy—to organize fraudulent elections.

KID says it thinks it is time for the Haitian people to open their eyes and continue to organize themselves with committed people's organizations, to set up vigilance brigades, and to continue to rise up and take a stand against macoutes, the high cost of living, and any and all foreign forces trampling Haiti's dignity underfoot.

Jamaica

Manley Discusses Cooperation With U.S.

FL0302213589 Bridgetown CANA in English 1842 GMT 3 Feb 89

[Text] Kingston, Jamaica, Feb 3, CANA—Jamaica's opposition leader, Michael Manley, forsees a United States-Jamaica assault on a "troika" of Third World problems if his People's National Party [PNP] wins Thursday's general elections.

Manley expects the cooperation with the George Bush administration on debt, drugs and development will take shape within the first six months of a new PNP government.

Manley told CANA in an exclusive interview that his PNP was confident of being back in power. This view is not shared by Prime Minister Edward Seaga who, contrary to the latest public opinion poll by the respected Carl Stone forecasting a PNP landslide with 48 of the 60 parliamentary seats, is still talking about a thrid consecutive third term for his Jamaica Labour Party [JLP].

Since the introduction of adult suffrage more than forty years ago, the Jamaican voters have never given a third consecutive term to either the JLP or PNP which have dominated the political life of post-war Jamaica.

Manley feels that the countries of the Caribbean region should take full advantage of the "current encouraging international climate", resulting from the new U.S.-Soviet relations, "in strengthening co-operation to boost their own economic development, improve the welfare of their people and inspire better appreciation for democratic traditions and political sovereignty."

As Prime Minister of Jamaica, Manley plans on interesting his Caribbean Community [Caricom] partners in "a common approach to involve the USA in how we could more effectively respond to the great debt burden, the frightening illicit drug problem, and achieve, through such mechanisms as the Caribbean Basin Initiative [CBI], the logic of economics of scale". Once his party is back in power, he intends to share his own perception of "a common agenda for action on debt, drugs and development, the troika", with his Caricom partners, some of whom he may meet before the next Caricom summit scheduled for Grenada in July.

"There is", he declared, "an obvious common agenda for us and the Bush administration in dealing with the problems of illicit drugs and also for a new approach on removing the debt burden (currently estimated at some U.S. billion dollars with Jamaica's share standing at approximately U.S. 4.5 billion dollars.)" He senses, he said, "a mood in the U.S. itself to have a completely new look at the development process at the international level and how that process can be supported by better capital flows and a better climate for investment there is a mood to take the CBI for a start."

Manley said that he intends to pursue with the new Bush administration in Washington "an idea I first discussed with George Shultz (former U.S. secretary of state) some two years ago. "It has to do," he explained, with "reshaping the CBI to make it more relevant to the needs of the Caribbean, for instance, incorporating a window within this CBI mechanism designed for the specific support of any economic integration process that would promote economies of scale in the Caribbean." This "window" within the CBI could, in Manley's view, support with "finance and technology" the rationalisation of production in the regions pursuit of economies of scale.

Manley said: "I know quite a lot of people in the Bush administration. I have very positive relations with them, and once we have cleared up many of the misunderstandings of the seventies (a reference to the pressures his PNP administration faced from the U.S. before being defeated by Seaga's JLP), they will realise that we have a common agenda."

In response to a question on future Jamaica-Cuba relations, Manley said that those who know anything about his concept of political sovereignty would understand that a PNP government "would require no ones permission to normalise our relations with Cuba." One year after his JLP's crushing defeat of the PNP at the October 1980 elections, Prime Minister Seaga severed diplomatic ties with Havana, an action that was seen as consistent with his party's bitter anti-Cuba campaign, and his JLP's strong links with the Republican Party of the U.S.

Manley said that "I don't need Washington's permission to restore diplomatic relations with Cuba. We can say frankly that we don't need any trouble with the U.S. But we think that Cuba has a right to exist. It is part of this hemisphere, and it has a right to be treated with respect as a part of the hemispheric family..."

In its attempt to keep some of the "anti-Cuba heat" on Manley, Seaga's JLP is running as one of its advertisements here a warning that the PNP leader has not changed, quoting him as saying back on May 1, 1986: "Our relations with Cuba would be absolutely the same". Another quote from a round-table the PNP leader gave in June last year, has Manley saying: "What I'd like to do is return to the plan that the PNP worked out in the 1970's..."

Prime Minister Seaga, who had presented a medium term economic programme in 1988 before the devastation of Hurricane Gilbert, is citing his success in economic recovery to bolster his case for a third consecutive term. "Today just four months after Gilbert", he declared to cheering supporters at an election rally, "you hardly see a sign. The economy is back on track." Seaga boasts that it "is this government that has moved Jamaica from being the second worst economy in the world to one which today the World Bank itself says is one of the models of development in the developing world of a country that can lift itself off its belly and put itself on its feet."

He summarises his JLP's record of achievements as good reason for a third term, stating: "We have restored peace and stability. We have brought back economic recovery. And we have brought balance back to our foreign relations..."

But Manley argues that the "peace" the country enjoyed during the JLP's past two terms had to do with the "maturity" demonstrated by his party which, he feels, was entitled to "seventy-five percent of the credit. We simply put Jamaica first, above party interest, and we hope the JLP will co-operate with us as the new government of our country."

IMF Agreement Renegotiation Announced
FL0202221089 Bridgetown CANA in English
2146 GMT 2 Feb 89

[Text] Kingston, Jamaica, Feb 2, CANA—Jamaica is getting more time to complete economic performance tests under its U.S. 114 million dollar stand-by credit programme with the International Monetary Fund (IMF) because of dislocations caused by last September's hurricane, Central Bank governor, Headley Brown, announced Thursday. And with the renegotiation of the agreement, the projected level of foreign exchange inflows and the stability of the economy, there was no need for any devaluation of the Jamaican dollar, the Central Bank governor said.

Brown said that whereas the final quarterly test under the initial 14-month agreement would have been this September, IMF technicians agreed to an extension until next year March and a review of targets near the end of the current fiscal year in March.

The IMF board is to consider the renegotiated agreement later this month. Brown told business leaders and journalists during generally upbeat remarks on the performance of the economy, since the devastation caused by the hurricane.

"Based on our economic performance to December and our current economic outlook, we confidently anticipate ratification of the agreement and look forward to settling the parameters for the continuation of the programme into the next fiscal year," Brown said.

Under the original IMF agreement, Jamaica's performance targets were set for last September and December and March this year. Negotiations were to take place for the targets for June and September 1989.

Brown, though not giving specifics, said that under the re-negotiated arrangement the island's September 1988 performance would now be evaluated in the context of Hurricane Gilbert. Additionally, indicative targets were set for December, with a return to formal targets in March.

The agreement is to be extended by two quarters to the end of the 1989/90 fiscal year, with a final draw down to be made in May next year.

On the broader economic picture, Brown pointed to a faster-than-expected return to economic stability, and suggested that Jamaica just needed to continue present economic policies to achieve sustained growth.

Brown said that inflation, estimated at 11 per cent last year, had turned out at 8.8 per cent and what was expected to be above 14 per cent for the fiscal year was now expected to run in the region of nine per cent.

Lower than expected inflation and a weakening of the United States dollar in the latter part of 1988 and strong inflows from reinsurance payments would have made exchange-rate adjustment unlikely.

"Renegotiation (of the IMF agreement) has meant that a requirement for exchange rate action on the basis of competitiveness in the near future is an almost impossibility," Brown said.

Editorial on U.S. Plan To Build Border Ditch

PA0702020489 Mexico City EL DIA in Spanish 26 Jan 89 p 5

[Editorial: "Mexico and the United States: The Great Wall and Unilateral Policy"]

[Text] An old English proverb saying the week has not started well for someone who will be hanged on Monday comes to mind when thinking of the initial foreign policy actions and statements of the recently inaugurated U.S. Government. The Bush administration has started its relations with Mexico on a bad note by announcing the cancellation of the U.S. Vice President's visit to our country and confirming the unilateral policy the U.S. Government has been advocating in its relations with Mexico when it announced that construction would begin soon of a 4.5-meter-wide, 1.5-meter-deep ditch to prevent, according to official sources cited by THE LOS ANGELES TIMES, illegal immigrants and drug traffickers from crossing the border from Mexico to California.

Certainly, every country has a right to protect its territory and take steps it deems necessary to achieve that goal, but in our viewpoint, building a ditch to separate the two nations amounts to an unilateral decision that is offensive to the dignity of neighbors and an attempt to blame U.S. domestic problems on Mexico.

It is a known fact the United States is one of the primary and oldest operation centers for drug-trafficking groups. That fact, coupled by social factors, explains why that country has become the largest drug comsumption center and why an extensive production and trading network, which has established bases in some Latin American countries, has branched out from the United States. It suffices to note that, according to certain estimates, the drug-trafficking business in the United States involves approximately $200 billion and that money laundering and the formation of large consortiums supported by drug trafficking are taking place in the United States.

This is an objective reality about drug trafficking that shows the absurdity of insisting on applying external solutions to a U.S. domestic problem. As for immigrant workers, the wrong policy is also being implemented by trying to solve a social and economic problem with simple police measures, the main feature of which is a disregard for the labor and human rights of Mexicans living in the United States.

It seems as if the Bush administration were reviving a practice of ancient empires with its plan to erect some kind of great wall between Mexico and the United States or unearthing a practice of feudal palaces by digging huge pits to protect its property. Ironically, we do not doubt that to complete these tasks, the United States will hire Mexican immigrants, because this involves heavy work and that country frequently resorts to the cheap labor offered by our compatriots.

Legislators Criticize Plan

PA0302200789 Mexico City THE NEWS in English 27 Jan 89 pp 1, 3

[Text] Mexican congressmen on Thursday blasted a U.S. proposal to build a 4-mile ditch along the U.S.-Mexican border in an effort to stop the flow of drugs and illegal aliens.

"Attitudes that could be taken as hostile are never constructive between two neighboring countries that have so many common problems," Guadalupe Gomez of the ruling Institutional Revolutionary Party (PRI) told reporters.

Gomez, head of a congressional foreign relations commission, said that while the United States is free to do as it likes in its own territory, the ditch proposal "is still up to a certain point hostile and not very friendly."

The Foreign Relations Secretariat (SRE) said Thursday that negotiations are under way with the U.S. government to build a drainage ditch along the U.S.-Mexican border in the Otay Mesa, California.

The secretariat denied having knowledge that the ditch might be built to stem the tide of illegal migrants or illicit drugs into the United States as press reports alleged. The purpose of the ditch, as the SRE understands, would be to address drainage problems in the area.

The SRE added in its press release that the matter is still in the negotiating stage and that no final decision has been made.

A spokesman for the U.S. Immigration and Naturalization Service said the government agency backed the proposed construction of a 4-mile long, 5-foot deep ditch to stop vehicles from crossing from Mexico into the United States across the Otay Mesa flats near San Diego, California.

The INS stops about one million people, most of them Mexicans, from making illegal border crossings each year. U.S. drug officials estimate about 39 percent of the heroin smuggled into the United States comes through Mexico, as well as a third of the cocaine and a third of the marijuana.

Alberto Ling Altamirano, a congressman from the conservative National Action Party, said he did not consider the ditch idea a hostile act against Mexico but said it probably would not work.

"The possible construction of the ditch is not an aggression but a stupid defense," he said.

"It won't be able to stop anyone while there are starving people in Mexico and a clandestine labor market in the United States," he said.

The U.S. Embassy in Mexico City issued a statement late Thursday confirming that the ditch proposal had been made. The intended purpose is to address drainage problems, control automobile traffic on the border, and ensure the safety of those who cross the border, the statement read.

Cardenas Calls Idea 'Mistake'

PA0602163789 Mexico City UNOMASUNO in Spanish 29 Jan 89 p 7

[Report by Raul Correa Enguilo]

[Text] Cuauhtemoc Cardenas [former National Democratic Front presidential candidate] said last night that the digging of a border ditch to prevent Mexican immigration to the United States would be a terrible mistake for the United States. He said that "if the United States carries out this idea, it would establish an aggressive and hostile relationship between the United States and Mexico."

He said that relations between the two countries should be based on mutual cooperation. He also said that the digging of the ditch might be viewed as a hard-line attitude by the Bush administration against the Mexican people.

Regarding the renegotiation of the foreign debt, Cardenas demanded that the Mexican Government adopt a patriotic position based on the nation's interests so that there will be sufficient resources to resolve the people's most pressing needs.

"If a firm position were to be adopted in the renegotiation of the debt, we would surely obtain better terms to fulfill our international commitments." He criticized the administrations of Carlos Salinas de Gortari and Miguel de la Madrid for not wanting to make known their positions on the renegotiation of the foreign debt.

He said the government should obtain resources by policing itself and by fighting government and private sector corruption, thereby obtaining more funds to carry out government programs without having to obtain new loans from abroad.

He said that as long as the government continues implementing measures against the people's interests and maintains economic restraints, there will be no resources for national development.

Financial Agreement Signed With Nicaragua

PA0302194789 Mexico City THE NEWS in English 27 Jan 89 p 2

[Text] Managua—Mexico and Nicaragua signed an agreement providing for collaboration on financial matters Thursday, during Mexico's foreign relations secretary tour of Central America.

Fernando Solana Morales and Nicaraguan Foreign Minister Miguel D'Escoto and Finance Minister William Hupper signed the agreement to exchange experience and expertise between the two nations, sources from the Mexican Secretariat of Foreign Relations (SRE) said in a bulletin.

The SRE added that the agreement will allow Mexico and Nicaragua to step up information exchange in key areas of economic development, including those associated with customs, taxes, state financial planning, development financing, and the administration and modernization of decentralized government agencies.

Japanese Trade Official Cited on Investment

PA0602013589 Mexico City EXCELSIOR ("En los Estados" section) in Spanish 26 Jan 89 pp 1, 4

[Summary] Puebla, 25 Jan— Kazushige Suzuki, president of the Japan Jetro Commission [Japan External Trade Organization], said here today the 200 Japanese enterprises established in Mexico invested $1.258 billion in 1988. Suzuki added that this amount will probably be increased in 1989 because the reduction of tariffs appeals to foreign investors. He also praised the Mexican manual workers and the country's natural resources.

New Oil Union Leader Vows To Fight Corruption

PA0502171789 Madrid EFE in Spanish 2202 GMT 2 Feb 89

[Excerpts] Mexico City, 2 Feb (EFE)—Sebastin Guzman Cabrera, 61, was elected national secretary of the Mexican Oil Workers Union [STPRM] today. He was the only candidate to replace the union's deposed leader. Guzman Cabrera was proclaimed the new leader of the powerful labor union, which numbers more than 130,000 workers, during a special STPRM general convention. [passage omitted]

After his election, Guzman Cabrera asserted: "A new era has begun for our labor union." He added that the union "must stop being considered a booty for thieves to plunder."

The former STPRM leadership, one of the most powerful in Latin America, was accused on several occasions of building a great "empire" through labor corruption.

The new secretary general asserted that in the last 18 years, when the former leadership was in power, the union was led by "a capricious and arbitrary leadership" that gradually "eroded the autonomy of local unions."

Guzman Cabrera asserted that he would fight the labor corruption that has prevailed in the union for the last 2 decades and that included, among other things, "the sale of jobs, misuse of resources so that a few would become rich, and blackmail against workers."

During his first speech as secretary general, Guzman Cabrera emphasized that the labor union "reasserts its alliance with the Mexican state, the PRI, the Mexican Workers Federation, and President Carlos Salinas de Gortari's government." [passage omitted]

Pemex Reports 1-Percent Reserves Decrease

PA0602160089 Mexico City EXCELSIOR in Spanish 29 Jan 89 p 6-E

[Text] Pemex has revealed a slight decrease in its oil reserves—approximately 1 percent per year—attributing the decrease to the fact that additional volumes generated have not been sufficient to compensate for the extracted amounts. Pemex added that the current situation is primarily the result of a decrease in oil drilling activities which in turn is due to budget constraints.

A report issued by Pemex's Assistant Directorate for Primary Production indicates that 4,595 wells had been closed by the end of 1988. Of these, 1,268 were closed temporarily and 3,307 were closed "because they lack exploitation potential." The report adds that exploitation potential tends to increase as a result of a program designed to close down those wells that have exhausted their potential.

The report notes that Pemex currently has 16,945 wells. Of these, 5,446 are being drilled, 4,872 are producing oil, and 574 are being used as water injectors.

Regarding the decrease in reserves, the Pemex report emphasizes that this is due to a decrease in exploitation operations caused by budget constraints, the depth of oil deposits, and the duration of exploitation operations carried out in the oil-rich provinces. The report reveals that of the 69 billion barrels of reserves, 60 percent is oil, 10 percent is condensation, and 22 percent is liquified gas.

Jan-Nov 1988 Import-Export Statistics Released

PA0402043889 Mexico City EXCELSIOR in Spanish 27 Jan 89 pp 5-A, 11-A

[Summary] The Planning and Budget Secretariat has reported that Mexican exports from January-November 1988 amounted to $18.954 billion, and imports for the same time period amounted to $17.174, which reflects a surplus of $1.78 billion.

Judicial Police Seize 6 Tons of Marijuana

PA0302233989 Mexico City EL DIA in Spanish 25 Jan 89 p 1

[Summary] Eight narcotics traffickers were arrested by the Federal Judicial Police in raids carried out in Monterrey. "Javier Coello Trejo, deputy attorney for Investigations and the Struggle Against Narcotics Traffic, said the arrested include Ramon Vazquez Mota, Jesus Antonio Davila Guzman, and Fernando Gomez Sebastian, who stand accused of not only smuggling drugs, but of murder—including that of a federal deputy whose name he will reveal tomorrow."

Along with arresting the drug smugglers, the police seized two trucks containing almost 6 tons of marijuana.

Seize Another 3.5 Tons

PA0302235989 Mexico City EL NACIONAL in Spanish 27 Jan 89 p 10

[Summary] The Mexican Attorney General's Office reported yesterday the Federal Judicial Police seized 3.5 tons of marijuana in various operations throughout the country and arrested 22 alleged drug traffickers. The biggest drug seizure occurred on the Mexicali-Tijuana highway, where 1,850 kg of marijuana were seized.

Further Marijuana Seizures

PA0602233589 Mexico City EL NACIONAL in Spanish 28 Jan 89 p 8

[Summary] According to the Attorney General's Office, during the last 24 hours the Federal Judicial Police confiscated 1,549 kg of packaged marijuana, firearms, and several vehicles and arrested 26 alleged drug traffickers. This took place in Sonora, Michoacan, Veracruz, and other areas.

Heroin Laboratory Dismantled in Guerrero State

PA0702031589 Mexico City EXCELSIOR in Spanish 28 Jan 89 p 27-A

[Summary] The Navy Secretariat has reported that Navy personnel found a heroin processing laboratory in El Calabazar on the coast of Guerrero State where they exchanged gunfire with drug traffickers. The secretariat added that five drug traffickers were arrested and 3 kg of heroin were seized.

Costa Rica

Cerezo, Arias Prepare Peace Proposals for Summit

PA0602171489 San Jose Radio Reloj in Spanish 1200 GMT 6 Feb 89

[Text] Guatemalan President Vinicio Cerezo met last night with Costa Rican President Oscar Arias to prepare proposals on Nicaragua. Cerezo has proposed creating a means for systematic and continuous dialogue.

The Guatemalan president arrived in Costa Rica yesterday at 1700 from Venezuela, where he had attended Carlos Andres Perez' presidential inauguration. He will leave for his country today at 1000.

Last night he met for several hours with President Arias at the Presidential Palace. The two exchanged views on the various proposals presented by the region's leaders in Caracas for the forthcoming meeting in El Salvador.

During an exclusive interview with Radio Reloj, President Cerezo said that Fidel Castro will be one of the subjects of discussion during the summit to take place in El Salvador on 13 and 14 February. He described talks that the Central American presidents held with the Cuban head of state in Caracas as essential because Castro has played a role in the military activities of Central American guerrillas by providing logistical, political, moral, and economic support as well as training.

Cerezo added that violence is becoming obsolete because as a tool it is no longer necessary to promote changes and structural reforms and it only creates instability and destruction.

Cerezo asserted that Fidel Castro must reconsider his attitude and that since he has been a leading instigator of violence, the Central American presidents must take into consideration his opinion and find a way to get him involved in the struggle for peace in the area.

The Guatemalan president said that presidential talks are essential because without them, peace in Central America will suffer and be delayed, and this could dangerously radicalize the situation.

Cerezo pointed out that many of the presidents involved in the peace process will be leaving their positions in 2 or 3 years, and therefore it is necessary to create permanent and systematic mechanisms for dialogue.

Last night Cerezo and Arias discussed the proposals that each wants to present to Nicaraguan President Daniel Ortega at the next summit in light of Nicaragua's failure to comply with many aspects of Esquipulas II.

President Cerezo will not reveal his position on this issue until he reaches an agreement with Arias on the content of the proposal to be discussed in San Salvador. He said: What we must present at the summit is a general proposal aimed at determining ways to make Esquipulas II effective, such as, for example, verifying that no country gives training or direct assistance to guerrillas.

El Salvador

Investigation Continues on Murder of Romero

PA0702045189 San Salvador Canal Doce Television in Spanish 0305 GMT 7 Feb 89

[Report by Marco Antonio Guevara—passages within quotation marks are recorded statements by Attorney General Roberto Garcial Alvarado]

[Text] On a national radio and television network last night, the government revealed the results of a number of investigations on the murder of Msgr Arnulfo Romero; however, the attorney general said at noon today only the Fourth Criminal Court judge can determine whether the evidence against any person is legal:

"Since I do not know their content, I cannot give an opinion on the matter. However, if from those records or the video one can determine there is sufficient evidence to solve the crime committed against Msgr Romero, I will unquestionably request that evidence and submit it immediately to the Fourth Criminal Court. I believe evidence should not be used to speculate or should not be publicly promoted. If pertinent evidence exists, it must be submitted to the corresponding judge, who is the exclusive legal authority to deal with it and, after an exhaustive analysis, determine the validity of the evidence."

Nevertheless, Msgr Romero's case has begun to have the elements it had lacked for more than 8 years. The legal evidence must contain a series of conditions, and only the judge can determine whether they have value or not.

"The video for example is not evidence. The contents of the video must be reaffirmed by the persons who in one way or another participated in the preparation, and the accuracy of the contents narrated in that video must be legally determined."

Garcia Alvarado added that the Fourth Criminal Court judge decided a few hours ago to summon former attorney Roberto Giron Flores and the officials Julio Alfredo Samayoa and Gerardo Le Chevalier to give the evidence they claim to have on the case. Because they are officials, the latter two must make sworn statements.

"The judge in charge of the case has issued resolutions ordering the summons of (Ivon Flores) and sworn statements from the two officials mentioned."

These new resolutions of the Fourth Criminal Court judge on Msgr Romero's case were issued at the request of the Attorney General's Office, which demonstrates, the attorney general said, that he is not an undertaker of trials, much less of people.

Vice President Antonio Castillo Claramount said the Supreme Court of Justice has the moral obligation to punish the murderers of Msgr Romero, including Major Roberto D'Aubuisson. The vice president also insisted the Legislative Assembly has a responsibility to see that those guilty of the murder of Msgr Romero be punished. However, he stressed the Supreme Court must act. He said the investigation must continue and gather all the evidence to solve this case, which occurred in March 1980.

D'Aubuisson Called 'Mastermind'

PA0702042389 San Salvador Canal Doce Television in Spanish 0330 GMT 7 Feb 89

[Report by Ernesto Rivas]

[Text] Justice Minister Julio Alfredo Samayoa said today all the evidence gathered by the criminal investigations commission demonstrates that Dr Antonio Regalado was the perpetrator of the murder of Msgr Romero.

In his capacity as chairman of the criminal investigations commission, Dr Julio Alfredo Samayoa reported today in detail on the murder of Msgr Oscar Arnulfo Romero. Dr Samayoa said to clarify the case, the commission has conducted 238 meetings, over 100 inquiries, and 21 depositions. He added that the investigation was carried out under the name of "Operation Pineapple" and that it was concluded that Major Roberto D'Aubuisson was the mastermind and Dr Antonio Regalado was the perpetrator.

[Begin Samayoa recording] There is no doubt. All the investigations carried out by the commission point to Maj Roberto D'Aubuisson as the mastermind. This has to be proven in court. However, he has parliamentary immunity; he cannot be brought to court. The Nationalist Republican Alliance [ARENA] has the majority in the National Assembly, and ARENA is not going to permit a declaration that will bring his case to court. [end recording]

Dr Samayoa also said he is willing to present all the evidence he has on the case. However, he said he did not trust the behavior of the attorney general of the Republic:

[Begin Samayoa recording] We will present the evidence. I think they are going to be sorry they made that request, because many persons are involved. Since their participation has not yet been proven, these names have not yet been released. However, when we present the entire dossier to the courts, these names are going to come up. Then some will judge and decide if they participated or not. But their names are there, as are their activities and their relationships to the death squads. Many persons who are mentioned are apparently respectable, and I mean respectable in quotes. [end recording]

The assassination of Msgr Oscar Arnulfo Romero took place on 24 March 1980; according to the official, the investigations have taken 9 years because many persons considered key witnesses have died since the time of the murder. However, he added, with the cooperation of the FBI as well as some Central American investigation organizations, the case has been clarified, which might lead to the imprisonment of Maj D'Aubuisson once he loses his parliamentary immunity.

CD's Zamora on Quayle Visit, Elections

PA0602170089 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 4 Feb 89

[Report by Eloy Guevara Paiz]

[Text] The FMLN's proposal has raised doubts in various sectors of our country over whether or not the proposal should be accepted. The Christian Democratic Party [PDC], which at first failed to say whether the proposal should be accepted, has now assumed a favorable attitude. ARENA [Nationalist Republican Alliance] vehemently rejected the proposal at first but has now assumed a flexible attitude. Within this context, what is the purpose of U.S. Vice President Dan Quayle's visit? All this was discussed with Democratic Convergence [CD] spokesman Dr Ruben Zamora.

[Begin recording] [Zamora] First, I believe it is highly significant that U.S. Vice President Dan Quayle's first political visit was to El Salvador. His trip to Venezuela was obviously of a protocol nature, but his visit to El Salvador was of a political nature. This indicates the gravity of the Salvadoran crisis and the Bush administration's concern about what is happening here.

Now then, what did Vice President Quayle tell the government and the ARENA and PDC presidential candidates? We can guess from what they said after the meeting. I believe Chavez Mena's statement that it is possible to postpone the elections is very much tied to what Mr Quayle told him during the meeting.

In other words, I believe that the U.S. vice president told these gentlemen that they must assume a much more flexible attitude toward the FMLN's proposal.

[Guevara] Doctor, you said the Legislative and Executive Branches should meet with FMLN representatives on 15 February. What kind of response have you received?

[Zamora] We have yet to receive a reply from the Executive or Legislative Branches, but we now see a possibility for all political parties to reach an agreement among themselves. The political parties will meet on Monday morning, and I believe we will really try to discuss the FMLN's proposal and issue our opinion based on a basic consensus of all the parties. I think this will certainly produce the possibility of a meeting among the political parties, the FMLN, the Legislative Assembly, and the Executive Branch on 15 February.

The problem with the FMLN's proposal is that the political parties, the Legislative Branch, and the Executive Branch must be willing to participate in the meeting. Thus, we will probably have to form a small committee with representatives from the Executive Branch, the Legislative Branch, and the political parties to establish a dialogue with the FMLN.

[Guevara] Doctor, President Duarte has stated that he is willing to accept the proposal, provided it is carried out within a constitutional framework. How would the appropriate arrangements be made?

[Zamora] Look, the problem with President Duarte is that it is difficult to know what his final decision will be and when he will make it. For example, first he said this was a war, not a peace, proposal. Then he said he had not rejected the proposal. Now he says that the proposal is positive, provided it is issued within a constitutional framework. The problem is that President Duarte changes his mind so often that he creates great confusion and disrupts the efforts to achieve peace in the country.

The political parties have already agreed that the postponement of the elections does not mean a violation of the Constitution. There is a way to postpone them without violating the Constitution. I would say that, since the president has stated he would agree to postpone the elections provided the Constitution is respected, this represents a point of consensus. Thus, we could reach an agreement with him. Therefore, the political parties must implement a mechanism that allows us to postpone the elections without violating the Constitution.

[Guevara] Referring to the counterproposal being drafted by all the political parties, will all the so-called leftist parties participate, doctor?

[Zamora] I would say the political parties must proceed step by step. First, we must define the points of agreement among all the [10-second break in reception] define level of consensus we can decide if we issue a joint proposal. It would be difficult to seek a counterproposal from all the political parties, because some of the parties have already issued specific proposals.

ARENA has issued a proposal, the Popular Union has issued a proposal, and the CD has issued a proposal for a political solution. Therefore, I would say that the political parties must first define the positive things, meaning our points of agreement. Once we do this we can decide if we issue a counterproposal or outline a plan that helps the FMLN, the Executive Branch, and the Legislative Branch hold a dialogue and find a solution to this situation.

[Guevara] Doctor, has the CD had any communication with the guerrilla commanders? Is it possible that they will come and explain some points that, according to the government, are still unclear?

[Zamora] We have had no communication with them on behalf of th CD, but, judging from their proposal—especially the last part where they say they are willing to discuss the proposal with the political parties, the Legislative Assembly, the Executive Branch, and the Armed Forces—I think it is logical to think that the FMLN is interested in coming here and talking with all sectors. I see no problem in that; quite the contrary, I think the FMLN's general command would not object.

[Guevara] Without an amnesty, doctor?

[Zamora] Of course. Look, I think that Major Roberto D'Aubuisson's proposal for a 72-hour amnesty is absurd, judicially speaking. I also think it is unnecessary. The FMLN commanders have already been here in San Salvador on other occasions—for example, for the meeting at the nunciature—and they never needed an amnesty. Why should they need it now, when we see a real opportunity for peace? Why should we add another obstacle? I think the amnesty is unnecessary. We must concentrate on the positive part of ARENA's proposal, meaning that the FMLN commanders should come and give others the opportunity to talk with them.

[Guevara] Referring to another topic, Dr Zamora, I believe that you will begin a tour of the country as part of your political campaign. Could you give us a general idea of how your campaign is coming along? What places will you visit? Do you have followers? What is the outlook?

[Zamora] I would say...[changes thought] We are about conclude the phase of the campaign that we call canvassing the country. We have visited 12 of El Salvador's 14 provinces. We have visited the department capitals and the main cities, and I can assure you that we have seen an increasingly positive reaction from the people.

I believe the people are gradually overcoming their fear and allowing room for hope. The latest proposal has raised the people's hopes, and I believe this is very positive for everyone in El Salvador. I might even add that I am enthusiastic about the CD's hopes.

I feel that the people's positive reaction is growing, even in places like Sensuntepeque, to name a place. We were holding a rally there and the Army sent an armored personnel carrier. The soldiers drove the vehicle around the park and then stationed it at the corner where our rally was taking place. The people remained where they were, participating in the rally, and the local townsfolk claim that more people participated in our rally than in the one organized by the PDC.

[Guevara] Doctor, the PDC has criticized the fact that the FMLN is putting pressure on people to vote...[corrects himself] to participate in these rallies.

[Zamora] No, that is absolutely false. No one has put pressure on the people, and I do not think anyone will. In fact, the real pressure is aimed at preventing the people

from attending the CD's rallies. I can tell you that, as far as I know, the FMLN has not exerted pressure on people to participate in the CD's rallies. That is merely slander spread by ARENA and the PDC because they realize that more people participate in our rallies, and, of course, this scares them. [end recording]

Political Parties Discuss FMLN Proposal

PA0702041989 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 6 Feb 89

[Passages within quotation marks recorded]

[Text] After a 3-hour meeting today, during which the Salvadoran political parties discussed the FMLN peace proposal, the parties had Julio Adolfo Rey Prendes of the Authentic Christian Movement, MAC, report on what they discussed during the meeting. Rey Prendes discussed the mechanics of the talks, but he did not disclose the content of the discussions.

[Rey Prendes] "On behalf of all the political parties, I would like to say the meeting took place within a very positive framework. We are seeking a consensus to respond appropriately to the current situation. We made a decision regarding the mechanics of the meetings. The meetings will continue to be held here in this same room in the Presidente Hotel during the next few days. We will resume our meeting tomorrow at 0930."

The mechanisms detailed by Julio Adolfo Rey Prendes are as follows: The meeting will resume tomorrow at 0930, and the Christian Democratic Party [PDC] will summarize what was discussed the previous day. The next day the Renewal Action Party will have to summarize what was discussed the previous day, and then the next day the Democratic Convergence [CD] will summarize what was discussed the previous day. The National Democratic Union will do the same the following day, then the Authentic Christian Democratic Movement, then the Nationalist Republican Alliance [ARENA], then the Popular Union, and finally the National Conciliation Party.

A series of meetings will begin tomorrow, and the parties we mentioned will have the responsibility of summarizing each discussion on their asssigned days.

[Rey Prendes] "We conducted an overall discussion on the various proposals, especially the FMLN proposal, and several viewpoints were presented. We concluded the meeting with a reading of the FMLN proposal. Tomorrow we will discuss the proposals each party has devised to solve the country's problems. We must present a single proposal that will give some answers to the Salvadoran people."

In addition to the various mechanisms for the meeting, Rey Prendes said some basic issues were discussed.

[Rey Prendes] "We have already discussed some essential issues presented by the FMLN proposal and by the various parties. I, however, prefer not to say or try to interpret what the various parties said. Each party will present its positions to you during the election campaign and within the spirit with which we met here today."

Alfredo Cristiani of ARENA said the opposite of what Rey Prendes said. Cristiani said no essential issues were discussed.

[Cristiani] "There has been nothing conclusive discussed so far. Tomorrow we might discuss basic issues. To say that we discussed basic issues today is unrealistic. We, however, want to devise a mechanism to promote peace and we will discuss the new FMLN proposal."

It seems there are political parties that have adopted hard-line positions.

[Cristiani] "In this preliminary meeting, we said we must not be committed to anything fixed or restrictive, and that we must make efforts to prepare a peace proposal."

According to Cristiani, the main issues will be discussed at tomorrow's meeting and at subsequent meetings.

In addition, according to CD leader Guillermo Ungo, there must be an awareness to attain the consensus needed for the drafting of a counterproposal, which would be presented immediately after it is drafted.

[Ungo] "I am aware we must discuss this issue as soon as possible—this week if possible—and if results are positive and feasible... [changes thought] In addition, the political parties agreed that we have a certain role and responsibility regarding peace, and we are fulfilling that role through our discussions of the FMLN proposal."

It would be speculation to talk about specific results of this first meeting.

[Ungo] "I think it is premature to make conclusions. Tomorrow we might have more clear positions on essential issues such as whether we agree to postpone the elections and what [words indistinct] the mechanism that postponement would entail—in other words, whether the postponement implies the appointment of a provisional president."

According to Ungo, the specific topics discussed at today's meeting caused disagreements among several parties.

[Ungo] "We began discussing several points of the proposal and there were disagreements, of course."

It is speculated that the postponement of the elections could be one of the difficult points of discussion.

[Ungo] "[Passage indistinct] and the FMLN proposal."

Guillermo Antonio Guevara Lacayo of MAC viewed this first meeting positively.

[Guevara] "I think the meeting was very positive, because for the first time all the political parties sat down to talk. That is a great achievement, because we all have been making different efforts—the government on the one hand and ARENA on the other—to make all the political parties sit down and talk. I believe this first meeting means a lot. We already agreed on a mechanism for these meetings. We discussed part of the proposal and I think we are making progress. Without being too optimistic, I would say these meetings could have positive results for our country."

For Guevara Lacayo, the country's majority parties are slowly setting their positions regarding the FMLN proposal.

[Guevara] "The political parties have been gradually stating their positions regarding the proposal. In our case, from the very beginning we said we were willing to discuss it and many parties have adopted that position. There are basically only two parties that do not have a definite position on the proposal. Those are basically the majority parties, the ones that believe they have the best chance to attain power in the upcoming elections."

Regarding the parties that have not adopted a definite position, the PDC's Aquilino Duarte said, "That is not true. Perhaps ARENA has, but the PDC is absolutely clear that the FMLN proposal is providing an opportunity for all of us to seek and achieve peace. The PDC is completely willing to do all it can to achieve peace."

Tomorrow we will have more details about the discussions of the FMLN proposal, which has caused comments here and abroad.

Archbishop on FMLN Proposal, Quayle Visit

PA0602132189 San Salvador Television Nacional in Spanish 1400 GMT 5 Feb 89

[Homily by San Salvador Archbishop Arturo Rivera y Damas at the Metropolitan Cathedral in San Salvador—live]

[Excerpt] [Passage omitted] Various events have drawn world attention to Latin America. These include the Venezuelan president's inauguration—which was attended by many heads of state, including four from Central America—and the fall of Paraguayan President Stroessner. In their own way, these are signs of democratization in the continent.

Meanwhile, here in El Salvador, the FMLN proposal is being studied in an effort to help the elections bring us closer to peace. It is positive that the politicians decided to publicly debate this very complex and important topic. The legal order is important, but peace is at least equally important, because without peace there can be no social coexistence, which is protected by the legal order. We hope the politicians can reflect on these issues and reach a consensus that will give hope to the people.

Meanwhile, it is necessary for the FMLN to give clear signs that it wants peace by at least halting its acts of sabotage. I say this because unfortunately, clashes are continuing. The Legal Assistance Office's report says 17 combatants were killed this week.

Another important event was the brief visit by Vice President Quayle. I had the opportunity to meet with him. As a pastor, I spoke to him of the Salvadoran people's desire for peace and of what the church has been doing so the conflict will be solved through dialogue. Vice President Quayle told me he came with the intention of supporting the democratic process and full respect for human rights and of encouraging, rather than hindering, the achievement of peace through rational means. I considered that position positive.

While the politicians make their decisions, let us constantly make our prayers to the prince and queen of peace.

Honduras

Azcona Meets U.S. Vice President Quayle

PA0602131289 San Pedro Sula LA PRENSA in Spanish 3 Feb 89 p 26

[Text] Caracas, Venezuela—President Azcona met with U.S. Vice President Dan Quayle last night in Caracas. At the meeting, Quayle stressed the United States' democratic solidarity with Honduras.

Azcona said he was very pleased to hear that Venezuelan President Carlos Andres Perez believes Venezuela and the other South American countries can greatly contribute to solving the problems in the region, especially those in Nicaragua and El Salvador.

Azcona pointed out that the conflict in Nicaragua will not be solved by signing a bilateral agreement. Instead, he said, the Sandinist government will have to solve the problem by establishing democracy.

Azcona stressed: "If the Sandinists plan a course of action, try to solve their domestic conflict with the contras, drop criminal charges against political prisoners, and allow the country's private enterprise to assume a larger role in the economy, then their promise of free elections for the Nicaraguan people will contribute to peace in their country and in ours."

He explained that Nicaragua's problems show the Sandinists that a radical revolution is not the answer and that a political solution would be the best solution for everyone.

Azcona said: "We think it is important to be aware of this. I think the Sandinists are reaching that conclusion."

Regarding the foreign debt, Azcona said: "Our countries have come of age, and it is important to find a way of making this debt less of a burden and an anxiety for Latin America. The debt has slowed down all social spending programs."

He added: "We must change the terms of the debt. We must extend our payment deadline by several years and declare a moratorium in some cases so that paying the debt will be a bit less difficult than it is at this time."

Meanwhile, Government and Justice Minister Enrique Ortez Colindres reported that Azcona and Quayle discussed U.S. policy in Central America during their meeting.

He added: "We met Quayle previously, before Ronald Reagan ended his presidential term. We had met to try to find a common ground between U.S. policy and the Central American countries' policy."

Asked whether Honduras had taken advantage of this visit to request aid from then President-elect George Bush, Ortez said: "We did not ask for anything. Instead, we discussed making a joint effort to achieve democracy in Central America. This was a very important step. We have had such serious problems with the Nicaraguan contras because we are considered everyone's whipping boy."

Quayle said the Bush administration is interested in helping to solve the conflict in Central America within a democratic framework. He expressed satisfaction upon learning that President Azcona's delegation was made up not only of Liberal Party members but also included Gilberto Goldstein and Mario Rivera Lopez, two National Party members.

International observers have described Quayle's meeting with Azcona in Azcona's suite as noteworthy and as proof that the United States is interested in democracy in Honduras.

At noon yesterday, the Honduran president attended a military parade in honor of Venezuelan President Carlos Andres Perez.

Azcona has met with approximately 13 presidents so far, including Fidel Castro and Daniel Ortega. At the meeting with Ortega, Azcona reiterated his firm position of complying with the Esquipulas II plan.

Azcona Says U.S. Obliged To Help Contras

PA0602204289 San Pedro Sula LA PRENSA in Spanish 4 Feb 89 p 3

[Text] Caracas, Venezuela—President Azcona said at a news conference in Caracas that the U.S. Government has an obligation to continue providing humanitarian aid to the Nicaraguan contras for as long as that group exists.

The Honduran head of state talked to Venezuelan and foreign reporters who came to cover the inauguration of Carlos Andres Perez, Venezuela's new president.

The Honduran president, who reiterated his position on the Central American conflict, said that the anti-Sandinist rebels based in Honduran territory must be treated as an effect and not a cause.

Azcona pointed out that the problem is linked to the internal crisis that has existed in Nicaragua since the FSLN took power in July 1979.

The Honduran president expressed his views on the proposal submitted by Nicaraguan President Danie. Ortega on 4 February during their meeting in a Caracas hotel, saying that the proposal had bilateral ramifications. The Sandinist initiative basically asks Honduras to remove the contras from its territory. Ortega in turn would authorize a general amnesty involving the release of thousands of political prisoners, among whom are several Hondurans.

After maintaining that the Honduran Government has in no way become an active participant in the Nicaraguan conflict, Azcona said that he made his views known to the Sandinist commander during their 15-minute meeting.

During the meeting with U.S. Vice President Dan Quayle and later with Ortega, Azcona added, "We made very clear the extraordinary problems the contras are creating for Honduras."

The Honduran president said, "We told them that in no way would we refuse to offer our territory to help the contras receive humanitarian aid. As long as the contras continue to exist as a group, the United States is under an obligation to provide humanitarian aid."

Azcona added, "I told Ortega that it is impossible to wait for the contras to disband before taking the steps suggested in Esquipulas II."

Azcona disagreed with the Nicaraguan president's view that the contras are "politically dead," noting that Ortega is contradicting himself when he says that "there can be no peace and calm in Central America while the contras exist."

FUSEP on 'Maximum Alert' Over Violence

PA0602190989 San Pedro Sula TIEMPO in Spanish 6 Feb 89 p 10

[Text] Tegucigalpa—The Public Security Forces (FUSEP) have declared a state of maximum alert throughout the country in view of the possibility of subversive attacks on police stations, a spokesman for that institution has reported.

The alert status has been in effect since last Thursday, when FUSEP Staff Commander Colonel Cristobal Simon Romero sent notice to commanders and regional and subregional posts alerting them about the danger of leftist attacks.

A police spokesman has said that FUSEP has intelligence information on leftist plans to attack police stations.

The source reported that a state of maximum alert will be in effect until further notice, adding that the police have strategic plans to respond to any attacks.

There is no report on whether or not the Army is also on a state of alert. Yesterday, people were able to move about as usual in southern Tegucigalpa, where some Army combat units are headquartered.

The police department declared the state of alert as a result of a wave of violence that began with the killing of three people in January.

Nicaraguan contra Commander Manuel Adan Rugama, alias Aureliano, was shot to death in northern Tegucigalpa on 7 January, and attorney Carlos Lorenzana, who defended Juan Ramon Matta in Honduras, was shot to death near his residence in the Modelo neighborhood by unidentified assailants. None of these crimes has been solved by the police.

On 25 January, alleged commandos of the "Cinchonero" People's Liberation Front machinegunned retired General Gustavo Alvarez Martinez, a former Armed Forces commander. Alvarez Martinez was killed near his residence in Tegucigalpa's Florencia del Este neighborhood. The following Sunday the residence of the Nicaraguan ambassador in this capital was attacked.

This past Wednesday unidentified people fired on a U.S. military convoy in Yoro Department. Military sources have reported that special troops are combing the area.

Nicaragua

Arce on Bush Administration, Economic Measures

PA0602143889 Managua Radio Sandino in Spanish 1200 GMT 3 Feb 89

[Text] Commander Bayardo Arce [vice coordinator of the FSLN Executive Commission] has said that conditions are favorable from international and domestic political points of view to improve the Nicaraguan economy through the joint efforts of the country's productive and political sectors. Arce said that it will be almost impossible for the Bush administration to continue the Reagan policy of creating tensions in the world as a means of reactivating the U.S. economy through the sale of weapons. He also said that the opposition will have to follow the legal rules that the revolution has established and that it will have to take advantage of the rights and opportunities it has been given. He stressed that concerted economic efforts in the private sector include the 100,000 peasant families who have received land through the agrarian reform program, and that efforts will be carried out with all sectors to overcome the difficult economic situation.

Commander Bayardo Arce said that all the donations that enter the country will be administered through the Finance Ministry. The donations will be sold to the various ministries interested in them and the proceeds from these donations will be subtracted from their budgets. Commander Arce said that all the dollars that are obtained through INTURISMO [Tourism Institute], TELCOR [Nicaraguan Telecommunications and Postal Services], hotels, and through the sale of gasoline, among other things, will be turned over to the Finance Ministry for the national budget. He also said that the removal of furniture and vehicles from state enterprises is prohibited and that personnel vacancies will not be filled.

A commission headed by the MIDINRA [Ministry of Agricultural Development and Agrarian Reform] is working to improve state enterprises and to solve the unemployment problem. Commander Bayardo Arce explained this to members of the National Council of the 19 July Sandinist Youth in a speech on the implementation of economic measures. He called on government workers who are left unemployed to form part of the 10th Anniversary Brigade.

[Begin Arce recording] We have decided to establish the 10th Anniversary of the Revolution Brigade so that all the government workers who are left without jobs will register in that brigade and therefore will be ready to participate in any task that we must undertake in support of production. In other words, the 10th Anniversary Brigade does not mean that 12,000 people—the estimate is that approximately 12,000 government jobs will be eliminated—are all going to go to the same place. No, the 10th Anniversary Brigade will be the result of a patriotic and revolutionary registration by the people who are left unemployed and who will undertake tasks wherever the revolution needs them. This registration represents the revolution's commitment to find tasks for patriotic workers in the projects that we will be identifying. [end recording]

Commander Arce said that in order to raise the awareness of those who appropriate state money, mechanisms have been established to help reduce spending and that for this reason a special unit has been formed.

[Begin Arce recording] Along with the budget we have formed a special unit or command—we call it a command to remind us of the fight that must be waged—to undertake an institution by institution review. It will review how that institution is organized and how it spends money. The problem here is not only saving but also efficiency. As leaders, we have reviewed the key programs. The command will review each of the programs. Even the Army will be reviewed to see how and on what it spends money. The expenses of the Interior Ministry, the Education Ministry, and the Health Ministry will be reviewed. [end recording]

* Price Controls on Intermediate Goods Urged

* Strict Enforcement Needed

32480066a Managua BARRICADA in Spanish
5 Jan 89 p 3

[Editorial: "Prices Must Conform to Economic Reality"]

[Text] The decontrol of prices decreed in June 1988 was one of the most important steps in economic policy as products began to have a true value; there had previously been a policy of subsidies that distorted relative prices, that is to say, the relationship between two products in which different costs are involved.

Nevertheless, enterprises were not used to the workings of traditional markets; the price controls that used to exist and that helped to ensure that items got to consumers at "subsidized prices," made them certain of selling their output. By and large there was no competition on the market.

The measures of February 1988 created new conditions on the market, as a result of the standardization of the exchange rate and the periodic devaluations. After import subsidies were suspended it was no longer possible to maintain "subsidized prices" because the higher costs that this entailed made price controls unfeasible.

Two developments then took place on this decontrolled market. On the one hand, enterprises began boosting prices, often capriciously and at times too much, and on the other, the units that produce intermediate goods upped their prices at a pace that had an adverse impact on the enterprises that produce final goods.

Hence the stagnation in inventories and the drop in sales, with the resulting liquidity problem (made worse by the tightening of credit and the higher prices for imports). Everything indicated that decontrolling prices just like that was not a good thing for the economy.

The enterprises that had monopolies on the market, like Polycasa, Inca, Polymer and Plastinic, among many others, were benefiting greatly from price decontrol, because since they were the only producers of certain goods, they could impose prices that were often beyond a reasonable profit margin.

This, in turn, increased costs for the enterprises that used these intermediate goods, and they then boosted their own prices, with the resulting negative impact on consumers. There were even cases in which some enterprises could not afford intermediate goods because of the increase in their prices.

It was then, in November of last year, that the Economy Ministry decreed price controls on intermediate goods and some commodities, so as to prevent "capricious" increases and defend the enterprises that produce end products and, therefore, to benefit in some way the consumers of commodities.

It was thus established that the Economy Ministry would authorize increases in the prices of intermediate goods and some commodities, bearing in mind the real production costs, the value of the good on the world market and its importance in the economic system.

As far as economic policy is concerned, 1989 will see an intensification of the measures implemented in February and June of last year, and the prices of the goods in question will be effectively controlled today more than ever to prevent adverse effects on enterprises and consumers.

The recent official devaluation of the cordoba vis-a-vis the dollar should not necessarily mean a capricious increase in prices. It is the responsibility of the enterprises to submit their cost structure to the Economy Ministry and to completely justify any increase in prices.

The Economy Ministry will thus have to rigorously enforce its resolution controlling the prices of intermediate goods and the most sensitive commodities and be consistent in fining those enterprise that do not comply with the ruling.

An assessment of the results that this resolution has achieved in controlling prices should also be carried out in order to correct the shortcomings and oversights that may have been committed in enforcing it, because it is nothing new for some enterprise, both public and private, to engage in speculation and hoarding in a bid for profits instead of seeking economic efficiency and rationality as today's situation demands.

It cannot be denied that the periodic devaluations have a major impact on production costs, but these costs should be covered not only with price hikes but also through the better utilization of inputs and raw materials, work discipline, the cutting of unnecessary administrative outlays and higher productivity.

Only in this way will we be consistent with the order and rationality that the national economy demands today more than ever.

* State Enterprises Blamed

32480066a Managua EL NUEVO DIARIO in Spanish 9 Jan 89 p 2

[Editorial by Manuel Eugarrios: "Price Controls or Political Erosion"]

[Text] When the national currency was devalued most recently, it was argued, and correctly so, that a movement in the exchange rate had become indispensable to guarantee the profitability of exportable output, to prevent it from breaking down and to prevent the shortages in our economy from worsening.

We judge this to be an accurate assessment, because the devaluation and the increase in fuel prices are efforts to better control the inflationary spiral and to face, on more favorable conditions, the challenges and developments that will inevitably arise in the economic arena in 1989.

The problem, however, is that the masses do not understand either the language or the technical details or the logic of economics. In contrast, they do feel for themselves the effects of inflation, which translate directly into a loss of buying power of their wages, even when an attempt is made to mitigate these adverse effects with pay adjustments, which always lag far behind the rise in the prices of staple goods.

It is here, in the prices of items in the basic shopping basket, that the Gordian knot of the economic crisis is to be found, since the workers depend on their wages and are thus seeing their cost of living climb.

Even though in a country in revolution we have to swallow the bitter pill of classifying the citizens into three purchasing categories, as in the case of milk, eggs and poultry, the people find it hard to understand why, on the one hand, the producers of export goods are being given special help while, on the other, constant increases are being authorized in the prices of basic consumer goods without the backing of drastic controls on the new prices.

With the workers already burdened by wages that cannot keep pace with the new institutional prices of essential items, their economic and social situation is becoming increasingly pressing as the official prices are outstripped on the market by profiteering, which in many instances is fostered by state production enterprises.

Hence, we feel that the commentary that appeared recently in BARRICADA is appropriate and accurate. It advocated that the Economy Ministry proceed intelligently and effectively to apply harsh controls on the prices of intermediate goods and some commodities, the list of which, in our judgment, ought to be expanded to defend the real wages of blue- and white-collar workers as much as possible.

Even though the ministry decreed price controls in November, the fact is that to date there have been capricious increases for the sole purpose of justifying the false seven-figure profits of numerous state-run enterprises. What this means is that if we want to defend consumers and prevent the further political erosion of the revolutionary government, state-run enterprises and ministries must put a drastic end to not only irrational but false profits, to the squandering of funds and raw materials, to superfluous spending, to bureaucratic featherbedding and, above all, to the enormous misuse of foreign exchange mainly for massive purchases of sophisticated office equipment and luxury cars, which contrast violently with the poverty of the people.

In particular, however, the managers of state-run production and marketing enterprises must be brought under control so that they update their books and set up real systems of economic control and accountability, inasmuch as this is the only way that they can present a real structure of their costs and justify any price moves, besides halting theft and embezzlement.

It is a secret to no one that such economic control and accountability has not existed to date in these enterprises, whose bookkeeping is dangerously backlogged and which have taken the path of least resistance by adjusting their costs in accordance with the percentage of the devaluation so that they can continue to post sizable profits on their balance sheets, profits that in the end have been paid for by the workers, consumers and citizenry at large.

After 10 years of revolution, we must indeed understand once and for all that one cannot govern without economic control, record-keeping and accountability. We must urgently recall in this regard what Lenin said:

"Accounting and control: this is the main thing, what is needed to 'tune up' the first phase of socialist society so that it works properly...The organization of accounting, control over the most important enterprises, the transformation of the entire economic mechanism of the State...This is the formidable task of organization that has fallen on our shoulders...A certain amount of time will inevitably pass until the masses, who for the first time will feel free after the overthrow of the landowners and the bourgeoisie, understand and feel that without very broad accounting and control by the State over the production and distribution of products, the power of the workers, the freedom of the workers cannot be sustained and that a return to the yoke of capitalism is inevitable...."

We think, then, that it is urgent and indispensable for "the Economy Ministry to rigorously enforce its resolution controlling the prices of intermediate goods and the most sensitive commodities and to be consistent in fining (and punishing most severely, we would add) those enterprises that do not comply with the ruling."

*** Sandinists Accused of Fostering Inflation**
32480066b Managua LA CRONICA in Spanish 23-29 Dec 88 p 2

[Editorial by Luis Humberto Guzman: "When Money Dies"]

[Text] The economists of the government and of the opposition agree in their estimates that the inflation rate will be around 70 percent a month this year. Inflation has become a daily topic of conversation among the citizenry. It has turned the majority of Nicaraguans into economists.

As a Nicaraguan peasant leader has remarked, "the currency has lost its value." So far the government has sought to evade its responsibility for inflation by trying to portray it as a phenomenon beyond its control. It is exactly the opposite. The Sandinist government has taken the path of inflation to finance its unproductive spending. Politically it would be unpresentable to appropriate the money of citizens through taxes, and thus the government has resorted to inflation.

The delay in submitting the Budget of the Republic to the National Assembly, in violation of the law and humiliating Congress, is probably due not to the incompetence of the government's budget experts but to an anguished debate within the Sandinist regime, which has not yet renounced its delusions of grandeur and abandoned once and for all the clumsy endeavor to have at its disposal coercive apparatuses that a small and impoverished country like Nicaragua cannot afford.

The government has abused the inflation ploy to the point of completely debasing the currency. The Nicaraguan cordoba no longer fulfills the inherent functions of paper money. It is not an instrument of savings, nor does it facilitate exchange. The most serious part of this complete debasement of the cordoba is that it also has social and political effects. It is turning values on their head in society. The words revolution, socialism, sovereignty, independence and dignity will all be terms that are inexorably associated with this intense period of impoverishment of the people.

This definitive failure of the Sandinist government is the best ally of the counterrevolution and of the interventionist designs of the most reactionaries sectors in the United States.

Violations of economic laws do not go unpunished. The mounting crime rate is one symptom. So much discontent will inevitably express itself in political terms as well. The gaunt Mr Richard Melton is far away. He can no longer serve as an alibi.

Panama

U.S. Soldiers Reportedly Arrested in Interior
PA0602235289 Panama City Televisora Nacional in Spanish 2313 GMT 6 Feb 89

[Text] Reports obtained by TV-2 [Televisora Nacional] stated that several U.S. soldiers dressed as civilians have been arrested by Panamanian authorities in various parts of the country's interior for causing problems during carnival festivities [culecos] and other festive events.

Reports state that the soldiers, dressed as civilians, are going around in vehicles with U.S. Army license plates and are infiltrating groups of Panamanians who are participating in carnival celebrations, causing disorder and problems in general. This led to their arrest. They will be turned over to the proper authorities, in accordance with existing regulations.

Editorial on COLINA Presidential Candidates
PA0602183889 Panama City CRITICA in Spanish 3 Feb 89 p 4

[Editorial: "They Have Run Out of Subversive Topics"]

[Text] The vengeful oligarchy had wagered everything on the chance that General Noriega would be the [progovernment party's] presidential candidate, under the mistaken impression that in this way they would have the opportunity to arbitrarily divide the country into militarists and antimilitarists, dictators and civilians. This fundamental assumption has left the opposition tremendously surprised. The National Liberation Coalition [COLINA] nominated three people representing nationalist, progressive, and patriotic positions. COLINA did not have to resort to nominating a candidate who, because of his popularity, could be called by the opposition and their imperialist allies an alleged puppet of our honorable military men.

Since we have no prejudice against the men in uniform such as Pino [Colonel Jose Maria Pinilla], [Brigade General Bolivar] Vallarino, [Jose Antonio] Remon, and [General Omar] Torrijos, to mention the names of some famous Panamanian military men, we are certain that the nomination of the distinguished patriot who today is the chief of the Defense Forces as a civilian and popular leader would have stirred up the overwhelming support of the great forces transforming our country. However, COLINA decided to confront the opposition's ridiculous slate of candidates by nominating civilian candidates directly from our political groups.

Therefore, the political decision made is correct. The opposition has been left speechless and is running around like a chicken chased by a fox, not knowing how to face their Yankee master who is decrying their lack of foresight, their exclusively antimilitaristic stance, and their desire to surrender the bases and sovereignty in

exchange for abundant sums of money. Having been left with no subversive ploys, the opposition will now have to face COLINA strictly within the electoral struggle, wherein the parties of this powerful coalition command moral authority and are strongly militant.

Nicosia Accepts Nominiation of PPA Faction

PA0602233889 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Feb 89 p A-3

[Speech by Hildebrando Nicosia, presidential nominee of a faction of the Authentic Panamenist Party [PPA]; in Panama City on 5 February]

[Text] Bonum est sperare in domino quan confidere in principius. [To expect good from the Lord is a beginning.]

The Almighty, the Holy Spirit is with us, and each of our actions clearly expresses the great legacy of Panama's undisputed leader, Dr Arnulfo Arias Madrid. The new directorate of this poor man's party has and will continue setting surprising examples with its unchanging and unyielding conduct. "We have always struggled against civilian and military oligarchies." Ours is the virtue of men who defend their truth even though they may suffer because of it. This has been proven by 40 years of political life.

I am honored by the PPA's majority nomination of my humble self. I assume the tremendous responsibility of this challenge, because I have prepared for this great mission from the time of my birth in this democratic Santa Ana Plaza. I reaffirm the parable of my fate by saying I am at the dawn of a new cycle of Panamanian history. The PPA was created with a social objective in mind: to represent the neglected majorities.

Political exaltation without feeling is garbage, and it is thus necessary to redeem the forgotten masses. Panama's current situation is painful. The Panamanian people's electoral shouts are exalted, yet the raging passions of their unsatisfied needs are feared. Our political adversaries seek the truth through constant lies. Our clear position of independent opposition serves three purposes:

1. We insist on unity and brotherhood within our party. 2. We have waited a very long time for the opposition's true unity, but there are no results in sight. 3. I reiterate, nevertheless: "Human brotherhood, cultivated intelligence, and a passion for liberty are indications that in Panama, it is only fair, there is a need for what has been described as a great coalition of consciences to lead the country to better days for all without hateful discriminations, unhealthy favoritism, violent reprisals, or demagogic lies. [no closing quotation marks as published]

The presidential candidates are hungry for popular support, yet lack the substance of human grief that surrounds and is not calmed by subtle or vain words. One must go into the streets and tour the whole country to assess Panama's reality. Enough demogogic lies. Marti said the fatherland is agony and duty and that to govern well, the forgotten masses must be organized on the straight path to a good life for all.

Panama is going to meet its destiny. There is so much misery and suffering in Panama. We see dark traces of misfortune everywhere. Gentlemen of the intransigent opposition and of the triumphalist government, do not be blind. We need a breath of fruitful love; we need that essential spark. We are again celebrating carnival, and again carnival is more like a circus, because we are lacking many things. There is anguish although we also have hope in our hearts. A South American politician once said our continent is hurt by the way some people use that ruby-covered knife called freedom. Democracy is false when it is used by a group of shameless people to waste the money of the public treasury. Irresponsibility and unbridled behavior cannot prevail. Outrage and cruelty haved pushed us into moral dissoluteness.

The PPA knows it must reorganize itself to lead the Panamanian people to power. When the needy get organized, all obstacles to attain national redemption vanish before the force that comes from absolute faith in victory.

The PPA emblem is two broken, parallel red lines with three top and bottom edges placed on a yellow background contained in a purple circle. The purple circle influences two lines contained in a circle of creative energy, the esoteric strength of which is a sign of inexorable triumph.

All Panamanians regardless of their political preferences are crying out for a total and deep renewal of values. We all long for discipline and we all want to improve ourselves.

Love for order and the presence of authorities without subterfuges are needed to restore faith and credibility. We must give up sectarian interests to have the harmonious cooperation of all Panamanians in the essential rectification needed in the fields of education, health, economy, justice, public adminitration, and employment. The most serious way to prepare our nation to fulfill and meet its future commitments and obligations with dignity within a framework of authentic democracy is to consolidate the needs of all the men and women of our homeland around the incorruptible symbol of our tricolor flag. The road that all Panamanians who want to dignify traditions, to ennoble virtues, to strengthen our nationality, and to spiritualize work must follow is that of an identification of goals. Let us drive away vice, lies, and hatred. Let nobody steal, because there must be fairness for many and not excesses for a few. Drive away hatred and revenge, because we were born to be productive in unity.

ECLA Reports 'Dramatic Economic Decline'

PA0602140089 Panama City MATUTINO in Spanish 1 Feb 89 pp 19, 20

[Report by Roberto R. Rodriguez]

[Text] ECLA has reported that continued U.S. economic sanctions have caused the most "dramatic economic decline" in Panama in the last few years.

In its "preliminary assessment of the Latin American economy," ECLA revealed that Panama's gross national product declined 25 percent, that capital accumulation "dropped" further, and that the unemployment rate rose to 21 percent, an "unprecendented level" in Panamanian history.

According to ECLA, these changes in the Panamanian economy were caused primarily by noneconomic factors that began to emerge in 1987.

ECLA added that the political conflict and the economic pressures exerted by the United States "seriously affected the Panamanian banking system and most local business activities, which consequently reduced exports and imports."

While presenting and summarizing his report on the Latin American economy, ECLA Executive Secretary Gett Rosenthal stressed that in 1988 the regional economic crisis "became acute," with a doubling of the inflation rate, which reached "unprecedented" levels.

Rosenthal stated that the decline in Latin American economic growth was caused primarily by the virtual stagnation of the Brazilian economy, the slight economic expansion in Argentina and Mexico, and the 25-percent drop in Panamanian economic activities.

Despite the destabilization campaign promoted by the United States and its local allies, Panama registered a 3-percent economic growth rate in 1987.

Argentina

Foreign Minister Caputo Returns From Venezuela

PY0402111789 Buenos Aires TELAM in Spanish 0037 GMT 3 Feb 89

[Text] Buenos Aires, 3 Feb (TELAM)—Foreign Minister Dante Caputo arrived minutes after 2200 tonight at Ezeiza International Airport aboard the Tango-01 plane from Caracas. During his stay in Caracas, Caputo represented the Argentine Government at the inaugural ceremony of Venezuelan President Carlos Andres Perez.

The foreign minister left the airport without making any statement to the press.

Regional, European Countries Express Support

PY0402185589 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1050 GMT 4 Feb 89

[Text] Buenos Aires, 4 Feb (NA)—The president's office has reported that the chiefs of state of 21 countries from the Americas and Europe, among them the members of the Group of Eight, have expressed support for President Raul Alfonsin "in view of the threats against Argentine democracy" resulting from an attack perpetrated by a subversive group.

The text of the message sent by the 21 chiefs of state, who attended the inauguration of President Carlos Andres Perez in Venezuela, states: "The chiefs of state of Venezuela, Ecuador, Uruguay, Colombia, Guyana, Honduras, Guatemala, Brazil, Portugal, Peru, Costa Rica, Dominican Republic, Dominica, Spain, Trinidad and Tobago, Netherlands Antilles, Suriname, Barbados, Belize, Saint Vincent and the Grenadines, and Saint Lucia, meeting in Caracas on the occasion of the inauguration of President Carlos Andres Perez, hereby state: in view of the threats to Argentine democracy, they express their recognition to President Raul Alfonsin for his sustained efforts to consolidate democracy. They also express their appreciation and solidarity with this undertaking. In addition, they state that any attempt against any constitutional continuity will represent a serious offense to the democratic governments and peoples of the Americas. The add that they will not remain indifferent to an attempt of this kind.

"They reassert their profound conviction that democratic societies may effectively defend themselves from the scourge of terrorism within the framework of the law and the exercise of political pluralism."

The communique ends by stating: "It is within that framework that the Argentine Government is confronting extremist actions, and we therefore wish to express our recognition."

Shooting Near Air Force Brigade in Mendoza

PY0602220289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1140 GMT 6 Feb 89

[Excerpts] Mendoza, 6 Feb (NA)—Shooting that lasted for some time was heard near the 4th Air Force Brigade located a few kilometers from this city at midnight Saturday. The cause of the shooting, however was not established, according to a newspaper report today.

The newspaper LOS ANDES reports that the shooting took place near a guard post of the 4th Air Force Brigade, and that afterward "it was noticed that the guard at the main gate of the El Plumerillo military air base was being reinforced." [passage omitted]

Some children and neighbors reported they had heard the shooting, but could not confirm rumors that some people were killed. The newspaper LOS ANDES says the shooting was confirmed "even by police sources," although no official report on the episode has been released.

La Tablada Regiment Fired Upon From Car

PY0702102989 Buenos Aires DYN in Spanish 1004 GMT 7 Feb 89

[Text] Buenos Aires, 7 Feb (DYN)—Police sources have reported that at least four unidentified individuals in a car today shot at a sentry post of the La Tablada 3d Infantry Regiment and swiftly fled.

The attack took place at 0340 today. A car was traveling very fast along Constituyentes Avenue. Shots were fired from it at the sentry post from a distance of some 150 meters.

According to the sources the attackers then fled. They have not yet been identified.

Armed Individuals Steal Blood, Medicine

PY0602181289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1215 GMT 6 Feb 89

[Text] Corrientes, 6 Feb (NA)—Two individuals wearing military uniforms and carrying submachineguns early this morning entered the Infant Health Center of Mercedes, 240 km from Corrientes, and took large quantities of blood, serum and medicine.

This information was confirmed by Mayor Jose Alberto Troncoso who alerted the population to provide any information on the individuals. Police forces have been deployed around Mercedes to prevent their escape.

New Appointments in Armed Forces Announced

PY0402144289 Buenos Aires CLARIN in Spanish 2 Feb 89 p 10

[Summary] These appointments have been made through Executive Branch decrees: Rear Admiral Jorge Ferrer as general Navy secretary; Rear Admiral Julio Tourne as Joint staff intelligence chief; Rear Admiral Hector Campoamor as naval aviation commander; Rear Admiral Raul Pirra as Operations Command Joint Staff chief; Rear Admiral Raul Cao as welfare director; Rear Admiral Pablo Resio, physician, as Health Service director; and Navy Captain Daniel Marquez as naval judge advocate.

Brazil

Stroessner at Guest House in Goias State

PY0602212289 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 6 Feb 89

[Excerpts] General Alfredo Stroessner, the ousted Paraguayan president, has received political asylum in Brazil. He is staying at a ranch in the interior of Goias State and is under the protection of the federal police.

Gen Stroessner left Paraguay yesterday afternoon after hard negotiations with the Brazilian Government. [passage omitted]

At 1755, a Paraguayan State Airlines Boeing 707, with former President Stroessner aboard, landed in Viracopos [Sao Paulo international airport]. Former President Stroessner got off the airplane, accompanied by bodyguards and advisers. He walked down the runway, winked, and then walked toward a Brazilian Air Force plane that was waiting for him barely 50 meters away.

At 1825, the Brazilian Air Force plane carrying the former Paraguayan president took off.

Gen Stroessner's final destination was the city of Itumbiara, southern Goias State, near the Minas Gerais State border. He arrived there yesterday evening and went directly to a guest house owned by the FURNAS Electric Power Plants company. Many policemen are guarding the guest house.

This morning a federal police car left the guest house for the [name indistinct] hotel, which is adjacent to the guest house. Policemen are also guarding the hotel, and no one is allowed to approach it. Since yesterday, hotel employees have been saying there are no more vacant rooms at the hotel.

An Itamaraty delegation was expected sometime this morning.

World Bank Grants $60-Million Agriculture Loan

PY0302121389 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 3 Feb 89

[Summary] The World Bank has approved a $63-million loan to Brazil. This money will be used in Parana State agricultural projects.

Correction to Report on Stroessner Arrival

PY0602195989

The following correction pertains to the item under the subheadline "Stroessner Arrives 5 Feb," published in the 6 February Latin America DAILY REPORT, page 36, column two: paragraph two, sentence three: ...arrived with his oldest son, Gustavo, but without his wife.... (clarifying that Stroessner arrived without his wife)

Correction to Report on New Justice Minister

PY0402171389

The following correction pertains to the item headlined "Sarney Installs New Justice Minister," published in the 25 January Latin America DAILY REPORT, page 45, column one: only paragraph, first sentence: ...installed Oscar Dias Correa as the new... (changing "Correia" to "Correa")

Chile

New Paraguayan Government Recognized

PY0602172689 Santiago Radio Chilena Network in Spanish 1600 GMT 6 Feb 89

[Relay by Pia Diaz from Government Palace]

[Excerpt] The Chilean Government today recognized the new Paraguayan Government headed by General Andres Rodriguez. This information was released by Uldaricio Figueroa, acting spokesman of the Foreign Ministry.

Gen Rodriguez 4 days ago ousted General Alfredo Stroessner who governed Paraguay for 35 years.

[Begin Figueroa recording] Instructions are being given to the Chilean Embassy in Asuncion to answer the note announcing the formation of a new Paraguayan Government. [end recording]

Figueroa stated that Chile has recognized the new Paraguayan Government based on international law, the consolidation of the new regime and the announcement that it will respect international agreements. [passage omitted]

Opposing Sectors Expected To 'Support' Aylwin

PY0602121589 Santiago Domestic Service in Spanish 0930 GMT 6 Feb 89

[Excerpt] The sectors of the Christian Democratic Party [PDC] which oppose Patricio Aylwin are not very happy with his nomination as the PDC prospective presidential candidate. However, they have no other alternative than to accept the party decision and support him.

The groups headed by Valdes and Frei expect the PDC National Council to agree on the nomination because Aylwin needs strong PDC support. [passage omitted]

Colombia

Government Announces New Economic Plan

PA0302165689 Bogota EL SIGLO in Spanish 27 Jan 89 pp 1-A,B-7

[Excerpt] The government, as part of its basic strategy, is planning to reduce the inflation rate to 24 percent, channel public expenditures toward low-income sectors, give incentives to production and investment in the private sector, and lower the fiscal deficit.

Planning Director Maria Mercedes Cuellar de Martinez explained the program approved by the National Council on Economic and Social Policies. She noted that financing public investment will be more solid than in previous years because the central government will handle 65 percent of the financing, that is, approximately 950 billion pesos.

The official said the disbursement for foreign credit programmed this year will rise to $2.56 billion, a figure that is in line with the 4.5-percent growth in GNP, a 33-percent growth in public investment, and accumulated international reserves of $80 million.

The government admits there is a 366-billion-peso gap, which will be covered by foreign and domestic loans.

It became very clear that it has been impossible to meet the goals of the socioeconomic plan. The pace of economic growth has been slowing during the current administration. In 1986, the GNP grew 5.8 percent, but this figure has been gradually dropping. In 1988, the National Planning Department officially disclosed this figure was just 4.2 percent. In 1987, it was 5.3 percent.

In unveiling the program to disburse foreign loans, Martinez said the foreign debt has quadrupled over the past 4 years. Meanwhile, current revenues are decreasing, and the sources to cover these debts are diminishing. The public debt grew at an annual rate of 16 percent. It went from $2.896 billion in 1978 to $13.05 billion in 1988.

With the impact of the revaluation of the basket of currencies, which includes the dollar, deutsche mark, and yen, and which cost the government $1.058 billion, the nation's foreign debt will be $14.108 billion.

With the $6-billion loan this government expects to get, the total debt, including the public sector figures, will total $22 billion.

The National Planning Department Figures indicate that the debt's terms have been getting considerably worse over the past 10 years. [passage omitted]

FARC Said 'Ready' To Join Peace Process

PA0502172189 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Feb 88

[Text] The FARC this morning sent a letter to former Presidents Misael Pastrana Borrero, Alfonso Lopez Michelsen, Alberto Lleras Camargo, Carlos Lleras Restrepo, Belisario Betancur, and Julio Cesar Turbay Ayala. In the letter, the FARC invites the former presidents to a meeting in Ibague on 17 February. The letter adds that the FARC is ready to join the peace process if the latter includes all of the country's subversive groups.

ELN Rebels Recent Activities Reported

Communique Rejects Peace Offer

PA0302132589 Hamburg DPA in Spanish 1923 GMT 1 Feb 89

[Text] Bogota, 1 Feb (DPA)—The Army of National Liberation (ELN) has announced in a communique sent to Antonio Roldan Betancur, governor of the northwestern Antioquia Department, that it rejects the peace plan proposed by the government and that it will continue armed attacks, it was learned a few hours ago.

According to initial reports, the armed movement—the most radical of the guerrilla groups in the country—sent the message through Luis Mesa Puerta, a police inspector (corregidor) of El Tigre, who was kidnapped last Friday for this purpose.

Roldan Betancur did not disclose any more details and merely confirmed that the Castroite ELN, which has staged several dynamite attacks against oil installations, did not accept the proposal made by President Virgilio Barco Vargas' government.

Meanwhile, the M-19 sent a letter a few hours ago to Misael Pastrana Borrero, a former president and member of the opposition Social Conservative Party (PSC), requesting that his party actively participate in a new peace initiative that formally began the 2d week of January.

At that time, on behalf of the government, Rafael Pardo Rueda—the presidential adviser for peace—and the top M-19 commander, Carlos Pizarro Leon Gomez, signed a

preliminary agreement that contemplates the beginning of a direct dialogue between the guerrilla groups and spokesmen of the political parties represented in parliament.

However, the FARC, which declared a unilateral truce to faciliate the beginning of the conversations, said that these agreements were "exclusive," as they were signed by only one of the country's rebel movements.

The document signed by the government and the M-19 specifies that the talks with all the rebel organizations are conducted through the Simon Bolivar National Guerrilla Coordinating Board (CNGSB). However, with the ELN announcement, a joint agreement has been ruled out.

Meanwhile, prior to leaving today for Caracas where he will attend the inauguration of Carlos Andres Perez, the president held a meeting with the chiefs of the two traditional parties, former presidents Julio Cesar Turbay of the ruling Liberal Party, and Pastrana Borrero, of the PSC.

The meeting held at the Narino Palace (seat of the government) was called so that Barco Vargas could report to the PSC on the development of the most recent events concerning the new peace process that began with the M-19.

According to some political circles, in this manner the path toward peace might be cleared, inasmuch as one of the "reservations" the PSC had was that the Barco Vargas government did not consult with the parties on the negotiations.

Rebels Ambush Convoy

PA0302013589 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Feb 89

[Text] Seven soldiers were killed and several were wounded by a bomb when a group of National Liberation Army [ELN] rebels ambushed a military convoy in Saravena, Arauca Department.

'Operation Spring' Nets 1,200 Kg of Cocaine

PA0702005089 Bogota EL SIGLO in Spanish 31 Jan 89 p 8-A

[Summary] National Police Director Miguel Antonio Gomez Padilla has reported that within the framework of "Operation Spring," a new offensive was recently launched against drug traffickers in the Middle Magdalena region, Antioquia Department. During the operation, the Narcotics police arrested 8 drug traffickers and destroyed 1,200 kg of pure cocaine, 52 clandestine airstrips, 8 laboratories, thousands of gallons of chemicals, and other equipment used in processing cocaine. In addition, a warehouse used to store drugs for shipment to the United States was discovered.

General Jaime Ruiz Barrera, 4th Brigade commander, stated that the war between the Medellin and Cali drug cartels has already claimed more than 120 deaths and has provoked a wave of bomb attacks in Medellin.

Operation To Continue

PA0502175489 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Feb 88

[Summary] Six guerrillas and one soldier were killed and two soldiers were wounded in recent fighting between Apopa Battalion troops and the so-called Army of National Liberation. The fighting occurred in Cano de Padilla, Serrania de Perija, Cesar Department.

Meanwhile, the police announced they will continue "Operation Spring", which has so far resulted in the arrest of 8 persons and the discovery of 14 cocaine laboratories, which were destroyed. This antidrug operation is being conducted along the border between Antioquia and Cordoba Departments.

Seized so far during Operation Spring were 1050 kg of cocaine and 130 kg of cocaine base, as well as large quantities of ether, acetone, potassium permanganate, and hydrochloric acid, all of which were destroyed.

602 Kg of Cocaine Confiscated

PA0702004389 Bogota EL TIEMPO in Spanish 1 Feb 89 p 8-A

[Summary] As part of an operation called "Primavera," conducted by the national police throughout the country, 602 kg of cocaine were confiscated in Cordoba Department. In addition, a landing strip was destroyed, a pickup truck was confiscated, and five people were arrested. The police found the cocaine in a place called Pueblo Nuevo-Popales, near Nechi Municipality, Antioquia Department.

Paraguay

President Rodriguez Holds News Conference

PY0602180889 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1545 GMT 6 Feb 89

[Text] President Andres Rodriguez is talking with local and foreign reporters in his office at Lopez Palace. Groups of 10 to 12 radio, television, and newspaper reporters from several countries are being allowed into the president's office. There is an impressive number of journalists; some 100 have been accredited to meet President Rodriguez this morning. Let us hear what the president said when he arrived at his office:

[Begin Rodriguez recording, in progress] ...convey a special greeting to you, and my recognition for your presence at the ceremonies we held. I would like you to disseminate some of my concerns to the people. In keeping with the Constitution, a decree calling for the election of president, senators, and deputies will be signed in 2 or 3 days. The current Congress will be dissolved in keeping with Article 182 of the Constitution. Elections will be held within 90 days; the electoral law will be partially amended for this purpose. All

democratic political parties will participate in the preparation of the electoral law. I have been asked about the word democratic. By a democratic party, I mean a party without any ties to the Communist Party.

There is still another point which I consider to be very important and which I would like to be disseminated for humanitarian reasons. I am referring to drug trafficking, one of the worst scourges of mankind. My government will wage a firm and intransigent struggle against drug trafficking and will make the laws even stricter and stronger in order to repress it.

International cooperation will obviously be invaluable in attaining these objectives. This is what I can tell you.

Now I will be very glad to answer your questions. Let us begin with the ladies:

[Unidentified reporter] [Question indistinct]

[Rodriguez] I did not understand your question.

[Reporter] (?What was the motivation) for the coup d'etat now?

[Rodriguez] It is a new stage that we are experiencing.

[Reporter] Why (was it staged?) after 34 years?

[Rodriguez] The time for it had come. That's all.

[Reporter] General, reports released in the United States have linked you with drug trafficking. What can you tell us about that, please?

[Rodriguez] I can assure you that since that time there have been people who have wanted to kill me one way or another,. They could not find a way. Consequently, they wanted to involve me. But you can be certain that at no time will they be able to prove that I had any involvement with that. I am a renegade against those people, and that is why I will make the laws more strict in punishing the people who are poisoning mankind. You can be totally sure of that.

[Reporter] General, could you compare—as has been done by some media—[words indistinct] with Mr Noriega; that is, that you will continue to be the power behind the throne, or after the elections you will...

[Rodriguez, interrupting] Please excuse me. I cannot give an opinion either for or against the affairs of a foreign country. I will only give opinions on my own country. I am very respectful of the principle of self-determination. Thank you very much.

[Reporter] Once the democratic process is over, will the military return to their barracks under a civilian president?

[Rodriguez] I cannot say whether it will be a civilian or a military president. I can only tell you that the ruling Colorado Party will designate its presidential candidate.

[Reporter] Will you be replaced?

[Rodriguez] I cannot answer that question because it is the Colorado Party that will make the designation.

[Reporter] Smuggling and corruption have reportedly flourished in Paraguay. Will these evils be solved?

[Rodriguez] Everyone would like to solve those problems; any human being would. One does not necessarily have to be president to desire an end to corruption and a solution to problems for the benefit of the country.

[Reporter] Some sectors have charged that this is a cosmetic change; that is, there is a change of faces, but the system remains unchanged. What is your opinion on the subject?

[Rodriguez] I did not understand your question.

[Reporter] Some Paraguayan sectors charge that this is simply a cosmetic change. What is your opinion? Is this merely a change of faces while the system remains unchanged?

[Rodriguez] You can see that we have already begun to change this system, gentlemen. Thank you very much.

Elections Decree Issued, Congress Dissolved

PY0702125889 Asuncion PATRIA in Spanish 7 Feb 89 p 1

["Text" of Decree No 3 issued by President Andres Rodriguez on 6 February in Asuncion]

[Text] Asuncion, February 6, 1989

Whereas:

A civilian-military movement took place on 3 February leading to the appointment of a new chief executive;

For some time now the country has witnessed well-known events whose constant repetition was bound to lead to a breach of social and political harmony;

The balance between the branches of the state has been disrupted, a situation which must be overcome in order to establish an atmosphere of peace and tolerance among all sectors of our society;

Article 182 of the National Constitution empowers the executive branch to dissolve Congress if the latter is held responsible for serious developments capable of jeopardizing the balance among the branches of the state, and of affecting in other ways compliance with the Constitution or the operation of the institutions established by it;

The president of the Republic of Paraguay decrees:

Article 1. That the National Congress be dissolved in keeping with the reasons outlined in the preable of this decree.

Article 2. That in compliance with the last paragraph of Article 182 of the national Constitution, elections for the Presidency of the Republic and for members of the National Congress be called. They will serve the remainder of the current term of office.

Article 3. That these elections be held on Monday, 1 May 1989. [date as heard]

Article 4. This decree shall be countersigned by the ministers of interior, foreign relations, and the minister without portfolio.

Article 5. It is so ordered.
Signed: General Andres Rodriguez
General Orlando Machuca Vargas
Dr Luis Maria Argana
Dr Juan Ramon Chaves

Colorado Party Reportedly To Nominate Argana
PY0602202089 Asuncion ULTIMA HORA in Spanish 6 Feb 89 p 9

[Excerpt] During a political rally held in Nueva Italia, [former President of the National Electoral Board] Juan Esteche Fanego publicly announced that [Foreign Minister] Luis Maria Argana will be proposed as the single Colorado Party candidate for the upcoming national elections, which will be held within 3 months. Esteche thus announced the proposal of a candidacy that had been gaining support among Colorado Party followers. A newly appointed party Executive Board will propose Argana as candidate during a Colorado Party convention which will be held in approximately 1 month.

"Now that the Colorado Party has returned to power, this is the decision made by the Colorado people," Esteche Fanego said. [passage omitted]

Colorado Party Precinct Reorganization Announced
PY0702131389 Asuncion PATRIA in Spanish 7 Feb 89 p 1

[Text] Resolution of the Colorado Party Executive Board.

Resolution No 2/89 intervening the Colorado Party precincts and the auxiliary organizations of the party Executive Board.

Asuncion, 6 February 1989.

Whereas: There is a need to normalize the operation of party organizations, taking into consideration the takeover of the Colorado Party National Convention on 1 August 1987 that broke the legitimate structure of the party—a situation that was questioned by the absolute majority of the party members throughout the country, as reported by the party's authentic Executive Board;

It is necessary to organize the party cadre to participate in the elections called by the national government;

Therefore, the president of the Executive Board of the National Republican Association, Colorado Party, resolves:

1. All the Colorado Party precincts and the auxiliary organizations of the party Executive Board are hereby intervened. As of today the executive boards of the party precincts are hereby dissolved and they must hand over the party facilities and assets to the delegates appointed by this party leadership.

2. A commission has been created to reorganize the intervened party organizations.

3. The presidency of the party Executive Board has been entrusted with the work of appointing the members of the commission who will immediately appoint the party members who will act as delegate-intervenors.

4. The following deadlines have been established for holding party precinct internal elections: 12 March for precincts in the capital, and 19 March for the precincts throughout the country.

5. It is so ordered.

[Signed] Juan R. Chaves, president.

PDC Announces Support for Rodriguez' Goals
PY0602211089 Asuncion EL DIARIO in Spanish 6 Feb 89 p 17

["Text" of communique issued by the Christian Democratic Party National Executive Board; date and place not given]

[Text] Honest and democratic Paraguayans have received with surprise and joy the news of the ousting and detention of General Alfredo Stroessner, who occupied the country's Presidency as a result of the 4 May 1954 coup d'etat.

Another military coup, this time commanded by Division General Andres Rodriguez, has put an end to the leadership of a man who administered a corrupt and despotic regime for 34 years and thus destroyed the deepest moral fibers of Paraguayan society.

The PDC [Christian Democratic Party] expresses satisfaction with the ousting of Gen Stroessner, an event that had been deeply hoped for by our party and by the majority of our countrymen. We realize, however, that the ousting of a dictator is not enough to change the

national reality, particularly when this dictator was not only the visible head of an authoritarian regime—which was kept in power through force—but also the administrator of a profoundly inhumane and anti-Christian political system.

The PDC shares the intentions voiced by Gen Rodriguez regarding the democratization of Paraguay; defense of human rights; enforcement of constitutional principles, rights, and guarantees; and compliance with Christian commandments.

A people tired of lies, however, can only believe in actions. The democratization of our country is a patriotic task to be performed evenly and with solidarity by Paraguayans of all political, economic, social, and cultural sectors of society, excluding no one. The PDC institutionally promises its loyal, honest, responsible, and creative participation in this urgent and top-priority task.

Signed: PDC National Executive Board

Police Summon Opposition Leader Laino
PY0702123389 Asuncion Radio Primero de Marzo in Spanish 1220 GMT 7 Feb 89

[Text] We have just been informed that Domingo Laino, president of the Authentic Radical Liberal Party, has been summoned to the Investigative Police Department. Last night his party held a session to evaluate the government call for elections.

Laino received a phone call at his house from Eliseo Rojas Arellano of the Police Department. He has been summoned to appear at 0900 this morning. We still do not know the reason for the summons.

We obtained this information from Laino's house. We are going to find out the reason for the call.

Montanaro Reportedly Going to Uruguay
PY0602233989 Madrid EFE in Spanish 1755 GMT 6 Feb 89

[By Jose Antonio Bianchi]

[Excerpts] Asuncion, 6 Feb (EFE)—Former Paraguayan Interior Minister Sabino Augusto Montanaro, who is in asylum at the Honduran Embassy in Asuncion, plans to travel to Uruguay. [passage omitted]

Honduran Charge d'Affairs Federico Regunega today told EFE that the necessary negotiations are being conducted for Sabino Augusto Montanaro's trip to Uruguay.

Montanaro sought shelter in the Honduran Embassy shortly after the successful coup led by General Andres Rodriguez, commander of the I Army Corps, who took up arms to demand the "democratization of Paraguay" and the "dignity of the Armed Forces."

Referring to the "unofficial" answer to his petition for a safe-conduct submitted to the new government on Friday, the acting head of the Honduran Embassy in Asuncion told EFE that the former interior minister "can travel abroad because there are no charges against him."

The diplomat added that negotiations are under way for Montanaro to travel abroad, "possibly to Uruguay." Montanaro has expressed his wish to leave the country, "at least for a while."

The Honduran charge d'affairs also said Montanaro will travel alone, without his family, which will remain in Asuncion. [passage omitted]

Finance Minister Advocates 'Economic Freedom'
PY0602170089 Asuncion EL DIARIO in Spanish 6 Feb 89 Special Supplement pp 4, 5

[Report on interview with Finance Minister Eng Enzo Debernardi by unidentified reporter; date and place not given]

[Text] "There is no individual star who directs the national economic policy, because the economy must be directed by a government team. This is government policy and, consequently, any measure must be clearly explained to the government so that it can support it as a whole and share the responsibility for its enforcement, because any economic measure influences all aspects of the life of the country," Finance Minister Eng Enzo Debernardi has said.

He added: "Economic measures always yield some kind of benefit for the people. Consequently, the government as a whole is responsible for them. My opinion is that the mechanism that we now have at hand is the economic team. As you know, the main members of the team are the ministers of industry and commerce, agriculture and livestock, and justice and labor; the Central Bank president; and the technical planning secretary.

Within the economic team, the labor minister deals specifically with the salary issue. All measures should be designed by this team. Therefore, I cannot mention any measures because the team has not yet met."

[Unidentified reporter] Would you support a more liberal economic policy?

[Debernardi] The minister of industry and commerce and I are the only people who have thus far exchanged views on the subject for a few minutes, obviously under the supervision of Dr Argana, who is, so to speak, a political minister. The three of us agree that we should promote as much economic freedom as is compatible with the current circumstances. It should be understood though, that this is an ideal goal.

The method for attaining that ideal goal with as little suffering for the people as possible has to be designed and based on technical considerations. It is very easy to talk about a single exchange rate, larger tax revenues, and so forth. They are all targets, but they must be attained without forcing the people to pay too high a price. This will be the main objective of the technical studies.

[Reporter] When will the studies be concluded?

[Debernardi] I cannot predict a date, and I must say frankly that I am not a specialist. I am only a man of goodwill who is rendering a very modest contribution. Therefore, I cannot speak as if I were a specialist.

[Reporter] What about the renegotiation of the foreign debt?

[Debernardi] That is one of the issues that must be included in the studies. This type of issue cannot be considered in isolation. The adoption of a single exchange rate, the government policy for printing money, the fiscal policy, the salary policy, and the policy of incentives to the private sector should all be considered in the studies. No isolated measure can be successful.

[Reporter] Will the government seek to reduce public spending?

[Debernardi] That is a target that all governments try to attain. We have to realize that we are in the middle of a inflationary process and that it will be impossible to put a sudden brake on it. Therefore, the reduction of the public deficit will have to be measured in figures that have been corrected for inflation.

[Reporter] Is there any successful foreign model to be adopted?

[Debernardi] I do not have much confidence in successful foreign models, because Paraguay has its own features, its own problems, and, consequently, we should devise our own solution, a solution that will be accepted by the people.

Central Bank Chairman Replaced by Debernardi

PY0702005589 Asuncion Radio Primero de Marzo in Spanish 2153 GMT 6 Feb 89

[Summary] A Central Bank communique released today reports that former Chairman Dr Cesar Romeo Acosta has been excluded from the bank's Executive Board and that Directors Federico Mandelburger, Jose Enrique Paez, and Carlos Knapps will be responsible for the bank's functioning. From now on, Finance Minister Enzo Debernardi will replace Romeo Acosta as bank chairman.

Peru

Minister Denies Downing of DEA Helicopters

PY0402115789 Lima Television Peruana in Spanish 0100 GMT 3 Feb 89

[Text] Interior Minister Juan Soria Diaz has denied that two DEA [Drug Enforcement Agency] helicopters have been downed by drug traffickers in Tingo Maria.

The interior minister also said that satisfactory progress is being made in forming a civilian front to fight subversion.

[Begin recording] [Soria] A fairly large activity has been reported in the Huallaga area. Drug trafficking has been repressed. I have been informed that some arrests have reportedly been made. A large quantity of drugs has been seized, and some people have reportedly been injured in the area. I am awaiting a final report.

[Reporter] [Words indistinct] the two helicopters that have reportedly been downed by terrorists in the Alto Huallagas area, sir?

[Soria] Well, I do not know where this report originated. I can assure you that the DEA helicopters that are cooperating with the police forces have not suffered any damage.

[Reporter] Have the helicopters been downed?

[Soria] They have not been downed. No helicopter has been downed. The helicopters have not been involved in any type of incident. I do not know where you got that report.

[Reporter] Is it true that some policemen are deserting in some areas of conflict in the country, minister?

[Soria] Not that I know of. I do not know where you got that report.

[Reporter] Minister, in the past few days it has been announced that the municipal elections in the interior of the country could be in jeopardy. Have any precautionary measures been taken?

[Soria] Precautionary measures have been taken. The entire electoral timetable is being implemented through the efforts of the Armed Forces, which are constitutionally responsible for the elections.

[Reporter] Would the violence in the country prompt the state of siege at a national level?

[Soria] No. I believe that the violence in the country remains under control at a national level. It has not changed much since last year. We are continuing to implement all the appropriate measures to guarantee public security.

[Reporter] Minister, the formation of a civilian front to fight subversion has been mentioned. It has been said that an attempt is already being made in this regard. What progress has been made?

[Soria] Well, the prime minister has made several calls in the name of the government, stating that we must unite to fight subversion. No one can remain neutral concerning subversion because sooner or later all of us will be affected.

The Peruvian communities are becoming increasingly aware of this fact. They are already defending themselves, and we are helping them to defend themselves.

[Reporter, interrupting] Is every ministry working to this effect?

[Soria] Every ministry is working to this effect, and we are suplying all the communities that want to cooperate in defending themselves from subversion with the appropriate means and organizations. [end recording]

Economy Minister Presents 4-Month Program
PY0102181489 Lima Television Peruana in Spanish 0100 GMT 1 Feb 89

[Message delivered by Economy Minister Carlos Rivas Davila on the economic program for the next 4 months, on 31 January; place not given—recorded]

[Text]

Good-evening,

On 29 December 1988, we explained to the country the guidelines of our economic program, and pointed out the objectives, goals and policies to be adopted in 1989. Today, we ratify these same objectives, goals and policies, as follows:

1. To reduce the inflation rate to less than half of that registered in 1988.
2. To recover production levels, thus preventing a decrease in the GDP as occurred in 1988.
3. To reduce the public deficit to 2 percent by increasing taxes from 7 to 10 percent; by imposing austerity and rationality into public sector expenditure; by reducing subsidies; and by reorganizing the list of priorities for central government and state-owned companies' investments.
4. To change the negative tendency of the current payment balance by stimulating exports.
5. To protect the standard of living of the poorest people by implementing a salary policy that will make it possible for workers to pay for essential staples and services, and which will grant a steady supply of foodstuff and medicine to the population.
6. To maintain a dialogue with the international financial community, within the framework of mutual respect.
7. To implement a social compensation program to alleviate the effects of the crisis on the health, education, food, and employment sectors, selecting objectives that will include mothers with breast-fed children, children, and unemployed workers.
8. To reach a nationwide accord with social, economic, and political sectors seeking to curb inflation and to promote production and growth within the framework of an economic pact of solidarity.

We reiterate that the government does have an economic program that seeks to solve the serious problems of the economy. Among the achievements of this program since September 1988 are the elimination of the exchange deficit, the reduction of the fiscal deficit—this goal was attained by reducing subsidies from over $125 million a month to some $30 million a month in January 1989—the reduction of exports [as heard] and imports, which have grown disproportionately over the past few years, beyond the real needs of the people and above the productive apparatus, thus unnecessarily draining our currency. Our income this month totals approximately 134 million [as heard] intis, which is 61 percent higher than the average income of either November or December 1988. This reflects an improvement in the management and collection of taxes.

Some opposition sectors, however, have said that there is no economic program, thus producing uncertainty and insecurity. This has happened because no explanation or timetable of the enforcement of the measures has previously been announced. This was not done in order to avoid false expectations, speculation, and the accumulation of basic commodities, which would have fueled inflation.

This government has distinguished itself by its frankness. This government has not concealed the truth—much less what we are doing to solve the crisis—from the people.

I will now outline the essentials of our program. As president Alan Garcia said yesterday, we will release the timetable of the major steps of the program for the coming months.

In order to reassure investors and the people in general, today I will announce to the nation the prices of major items for February, March, and May [as heard], which the government will impose, to put the economy in order and to curb inflation.

We can see that the main corrective measures enforced by the government have become increasingly softer. On 6 September 1988, the exchange rate was increased by 657 percent. On 22 November 1988, the exchange rate was increased by 100 percent. On 6 January 1989, the exchange rate was increased by 40 percent. Today, on 31 January, the exchange rate has been increased by only 31 percent.

It should be pointed out that the government will do everything in its power to maintain this rate, in order to make the productive sector feel safe, and to prevent expectations of a large devaluation cause major increases on the Ocona black market. If, for any duly justified reason outside the control of the government, the amount paid to exporters becomes insufficient, appropriate corrective measures will be enforced through tax exemptions.

We do not want to enforce a devaluation leap that may fuel inflation in February. As of today, the exchange rate will be 920 intis to the MUC [single exchange market] dollar. The real profits of exporters though, will also include 30 percent of the foreign currency earned from exports, which will increase the amounts collected by exporters. In addition, the tax on exports has been eliminated.

In March 1989, the exchange rate will be 1,100 intis per MUC dollar. The rate will be 1,250 intis per MUC dollar in April 1989, and 1,400 intis per MUC dollar in May 1989.

The price of fuel, which is intimately related to the dollar rate, will be set in the following manner as of today: The MUC rate for the dollar in February will be 920 intis; in March, 1,100—an increase of 20 percent; in April, 1,250—an increase of 14 percent; in May, 1,400—an increase of 12 percent.

The price of gasoline will be 29 percent more in February, thus amounting to 1,250 intis; in March, 1,500; in April, 1,700—an increase of 13 percent; and in May, 1,900—an increase of 12 percent.

The legal minimum wage in February will be 42,000 intis; in March, 49,560; in April 55,500; and in May, 61,050.

Based on the above rules for the major economic indexes, regulated prices will be set accordingly, with the exception of ENCI [National Enterprise for Industrial Marketing] milk and rice, the price of which will be slightly higher because the subsidies granted by the state will continue to be reduced. This will continue because those subsidies increase the state indebtedness without any direct benefit to the poorer sectors.

The announcement of these measures and the monthly targets will allow everyone to make their calculations and to reduce the uncertainty.

It is the government's objective though, to prevent a reduction in the purchasing power of salaries or a reduction of consumption levels. Consequently, the government policy will readjust and increase salaries to prevent the deterioration of their purchasing power.

In February, the legal minimum wage—as we have just said—will be raised from 34,000 to 42,000 intis, in order to compensate for basic commodity price increases. Likewise, a 25-percent increase will be granted to salaries and to wages agreed upon without collective bargaining. Public servant salaries will be increased by 15 percent, in addition to the bonus that has been granted in January.

We are sure that now that the rules are known by everyone. Speculation, expectations, and the accumulation of merchandise will significantly decrease. The government is now outlining the exact rules for the next 4 months. The government hopes that the people will help solve the inflation problem. If these objectives are fully attained—or for that matter if they are attained with small variations—we are sure that the monthly inflation rate will drastically drop in June, maintaining both our productive capacity and the level of our foreign currency reserves. At the same time public spending will be placed under tight control, seeking to significantly reduce the deficit.

The opposition and those who have criticized the government have said that there is no program because no measures had been announced for the coming months. These are our major targets.

I should also say that we will, in due time, announce the measures to be adopted in the upcoming quarters. These are our main targets for the next months: Salaries and consumption levels will be kept under control.

This is the path that we will follow until we begin to receive revenues from the new resources, new resources that will be used to reactivate our economy.

Finally, I would like to reiterate that the government is aware of its responsibility. It is enforcing its economic program with a deep realism, and we are confronting the crisis with gradual measures, seeking to cause less impact in the lower income sectors, to correct economic imbalances, and to lay the groundwork for our future development.

Our action is based on our own ideological and political principles of deep respect for human dignity, paticularly for the poorer sectors.

I ask the Peruvian people to help us attain these targets. It is not good to distrust them and to say that they will not be attained. Let us have faith and let us hope that if we join efforts, we Peruvians will overcome the crisis. Thank you very much.

MRTA Communique Claims 102 Kidnappings

PY0202171889 Madrid EFE in Spanish 0352 GMT 2 Feb 89

[Excerpt] Lima, 1 Feb (EFE)—In a communique addressed to the local media, the Peruvian guerrilla movement Tupac Amaru Revolutionary Movement (MRTA) today claimed responsibility for the kidnapping of 102 people.

Among the many businessmen who have been kidnapped from different industrial and business sectors is Carlos Enrique Ferreyros, alias "the king of the machinery industry." Ferreyros was kidnapped on 2 December. The MRTA is asking $10 million ransom for Ferreyros' release. This is the largest ransom the MRTA has ever requested. [passage omitted]

Capture of MRTA Top Leader Confirmed
PY0402211589 Lima Television Peruana in Spanish 0100 GMT 4 Feb 89

[Text] In Huancayo, it has been confirmed that Victor Polay Campos, alias Comrade Rolando, one of the top leaders of the terrorist organization MRTA, has been captured. He and his armed group had gained notoriety in the Peruvian jungle area.

It may be recalled that Comrade Rolando and 100 armed subversives raided San Martin Department in 1987.

Through his capture, the national police have dealt a hard blow to this terrorist organization.

'Accumulated' 1988 Inflation Rate Reported
PY0302033889 Lima Television Peruana in Spanish 1800 GMT 2 Feb 89

[Summary] The National Statistics Institute has reported that the inflation rate for January 1989 was 47.3 percent, and that the accumulated inflation rate from January 1988 was 2,280.7 percent.

Government Begins Antarctic Base Construction
PY0402204689 Lima Television Peruana in Spanish 0100 GMT 3 Feb 89

[Summary] The Peruvian Government has begun construction of a meteorological base in the Antarctic, at the same site where the Machu Picchu station will be installed. This information was provided by the chief of the 8th Air Group, Commander (Teovaldo Llosa). He added that a Hercules airplane will carry scientists and military personnel to King George Island in the Antarctic on 22 February.

Venezuela

Perez Meets With Panamanian Opposition Member
PA0602180389 Madrid EFE in Spanish 0257 GMT 6 Feb 89

[Text] Caracas, 5 Feb (EFE)—The Venezuelan Presidency's Directorate of Information announced that President Carlos Andres Perez met today with Panamanian opposition spokesman Carlos Zuniga at the Miraflores Palace in Caracas.

In an official communique, the Venezuelan Presidency stated that Perez expressed his views to the Panamanian political leader on such topics as Panama's present situation and on the status of the 1977 Torrijos-Carter treaties, under the terms of which the United States will hand over full control of the interoceanic canal to Panama.

The Venezuelan president pointed out that the premature death of General Omar Torrijos triggered a very dramatic, regressive process in Panama in which the Panama Defense Forces, currently under the command of General Manuel Antonio Noriega, displaced civilians in the running of the state.

Perez indicated that it was not up to him to judge whether Noriega should or should not resign his position, but the Venezuelan president pointed out that he had sent Gen Noriega a letter in which he stressed the historic responsibility Noriega has to ensure that his country achieves democracy.

Perez, who was inaugurated for the second time as Venezuelan president on 2 February, also stated that he fully supports compliance with the Torrijos-Carter treaties in accordance with the terms under which they were signed.

Perez and Ecuador's Borja Sign Agreement
PA0602233789 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 6 Feb 89

[Summary] At Miraflores Presidential Palace, Venezuelan President Carlos Andres Perez and Ecuadoran President Rodrigo Borja have signed a 4-year scientific-technical cooperation agreement in the areas of energy and mines. The agreement includes exchange of information and experiences in administrative and technical matters, exchange of expert advisers, organization of seminars, and the establishment of work teams to carry out specific projects. The results of this cooperation agreement will be reviewed every 6 months and automatically renewed.

Support for 'Democratic Government' in Paraguay
PA0602171289 Caracas Venezolana de Television Canal 8 in Spanish 1628 GMT 6 Feb 89

[Text] In Caracas, the Secretariat of the Presidency has issued a communique supporting the establishment of a democratic government in Paraguay and deploring the recent events in that country. Official reports state that 17 people were killed and 30 wounded during the coup in Paraguay.

Daniel Ortega on Relations With Andres Perez
PA0602185889 Caracas Venezolana de Television Canal 8 in Spanish 1100 GMT 6 Feb 89

["Exclusive" interview with Nicaraguan President Daniel Ortega Saavedra by reporters Noralba Jimenez and Maria Teresa Gutierrez in Caracas; date not given—recorded]

[Excerpts] [Passage omitted] [Gutierrez] Do you have any hopes that, now that Andres Perez has assumed power again, relations between Nicaragua and Venezuela will be the same as when you were in the midst of

your revolutionary struggle? Do you think your relationship with Carlos Andres Perez will be the same now as it was then?

[Ortega] Carlos Andres Perez is, I believe—I am convinced—what he portrayed himself to be in his inauguration speech, that is, a Latin American leader, a Third World leader who is very aggressively, very authoritatively assuming his duties and who is inviting all Latin Americans to do the same. I think his speech was clear and requires no further interpretation. I identify with it. By assuming this position, Carlos Andres Perez is logically drawing closer to Nicaragua.

[Gutierrez] Have you already invited him to visit Nicaragua?

[Ortega] I have invited him to visit Nicaragua, of course.

[Jimenez] And what did he say? Has a date been set for his visit?

[Ortega] We did not set a date, but I think he will visit Nicaragua. [passage omitted]

[Gutierrez] What are your relations like with the Chamorro family? We noticed that one of those who asked questions during the news conference was Pedro Joaquin, Chamorro's son, the current director of Nicaragua's LA PRENSA newspaper. Every time we hear news from Nicaragua it is that LA PRENSA has been closed, that LA PRENSA has been been reopened, that it has been closed again. How serious are your problems with LA PRENSA?

[Ortega] The problem no longer exists; that is, LA PRENSA is circulating without problems. As for the family, we have political differences with the Chamorros. However, the Chamorro family is split. On one side, Mrs Violeta Chamorro, one daughter, and one son are in the opposition; and on the other side, a brother, a son, and a daughter of Pedro Joaquin Chamorro are with the revolution. There is another brother of Pedro Joaquin who is also in the opposition. So, that is the situation.

Personally, when I see them I say hello. I just said hello to them when I saw them here. We ran into each other. (?One of them) was concerned that she was in a sleeveless dress. She was rather embarrassed, but I said that she should not be. I mean, when I wear civilian clothes, I am criticized for spending money on civilian clothes, on very expensive clothing. Times are hard in Nicaragua now, so I think we should dress modestly.

[Gutierrez] Therefore, you are sensitive to criticism, are you not?

[Ortega] Of course I am. I have to be sensitive to criticism.

[Gutierrez] [Words indistinct] The U.S. vice president said he wanted to have nothing to do with you. This must hurt a leader like you, who has received much attention here in Venezuela, not only from the press but from the other heads of state and President Carlos Andres Perez. It must hurt to have the U.S. vice president tell you that he wants to have nothing to do with you.

[Ortega] Well, I would say it hurts insofar as it eliminates the possibility of understanding, or even of talking, because communication is elementary among human beings, among men. There cannot be relations or peace without communication. There cannot be peace between two sweethearts, between two people who love each other, or in a family, if they cannot talk because differences exist between them. One has differences even with oneself, that is, one is not always satisfied with what one does. However, when two people are involved, the differences are even more pronounced, no matter how much they love each other.

In the case of a family, there are many more differences, and, needless to say, this is also the case with society as a whole. Now, in the case of nations, for a head of state or a political leader to say that he is not prepared to talk with another leader because they have political differences, ideological differences, is not reasonable. This hurts because blood is being spilled, people are dying, and these people are asking for the possibility of a dialogue to achieve peace and to end the suffering. [passage omitted]

Castro Addresses Intellectuals, Artists

PA0602221989 Caracas Venezolana de Television Canal 8 in Spanish 2018 GMT 4 Feb 89

[Cuban President Fidel Castro's "meeting with Venezuelan intellectuals and artists" at the Eurobuilding Hotel in Caracas—live]

[Text] [Moderator] The gentleman on my right wants to speak. [laughter]

[Castro] He is saying that I need no introduction; if that was how he was going to introduce me, it would have been better not to have introduced me at all. [laughter] He said I am the personality of the century and many other things; look what you have gotten me into now.

Well, since you allowed me to speak and asked that I be brief... [laughter] I wish to say that... [crowd complains they cannot hear] You cannot hear me? How come they can hear you [the moderator] and not me? [laughter] Can you hear me now? Is there a conspiracy with the microphones here?

I wish to apologize for arriving a few minutes late, but I took the liberty of doing something that was very unusual for this trip: I had something for lunch. [laughter] I thought that perhaps I would stay a few minutes, because a few interviews have come up. So far, as normal, everyone has arrrived late. [laughter]

Yesterday, I met with businessmen. Not all of them arrived on time so we had to wait for them. Later, I met with the left wing [laughter] and I had to wait. And I said to myself, if businessmen and the left wing did that, who knows what intellectuals and artists might do. [laughter] And it turned out that you arrived on time. [applause]

Also, previous meetings that I participated in were held in smaller rooms furnished with chairs. I thought that would be the case here, but when I arrived I saw something totally different. I asked: How many are coming? They told me 40 or 50, but you broke the record. I believe the only ones who will beat you tonight are the newsmen. Can you imagine?

I asked how many newsmen would come. I thought between 60 or 70, because I was told that a select group representing newspapers would be here. However, I was later told that about 200 would attend. [laughter] This morning, I was told that about 300 would be here. Nobody told me where this was going to take place. So, this is the place. I will begin to warm up then.

Basically, I wish to express thanks that, without exaggeration, I would say are deeply heartfelt. It is closely related to this visit and everything that preceded this visit. I need not explain further, because you are aware of that. I imagine you read newspapers, do you not? [laughter] I imagine you watch television now and then, and that you are aware of the campaigns that were orchestrated in view of my visit.

In addition to that, we were aware of other things, other details, people who started to mobilize, to get dynamite, and to find who knows what. [laughter] A complex and difficult atmosphere was being created. They created a problem for me. They were not only creating a public opinion problem, they were creating security problems.

Also, some articles... [Castro changes thought] I did not read all of them, because I am not a masochist. [laughter] I cannot spend time [Castro chuckles] reading everything that is written, but I read ideas and general reports. Some of those articles virtually called on people to commit crimes. The idea was to wage a psychological war; create a psychological atmosphere to prompt a madman, a disturbed person, or someone who feels it is his sacred duty to do something.

Do not believe that the enemy only acts directly. Many times, it creates psychological conditions before acting. Often it fails to pull everything together, but knows that a certain action leads to a certain result.

I was not even worried about public opinion problems. Opinions are sometimes unfavorable, and one must often fight against unfavorable opinions. I was not worried about security problems because... you cannot hear? [crowd answers: "No"] What should I do? Eat the microphone? You could not hear what I said before? [crowd answers: "Yes"] I would be unable to remember what I have already said. [laughter]

I was saying that I was not concerned about public opinion. Running risks is our fate; it is our duty. They [not further identified] created problems for me in Cuba itself. There was tremendous resistance against my trip. Undoubtedly, the plane incident, the sabotage, which was so traumatic for our people, fueled this resistance... [indistinct remark from the crowd]. There must be an electronic problem. I am not used to screaming into microphones.

I was saying that they created a problem for me in my country. There was strong resistance against my trip, and, as I was saying, the plane incident, which had been very traumatic, fueled this resistance.

More than 1 million people gathered at the Plaza of the Revolution to mourn our dead. Then strange things happened. We had the problem of people who escaped, who were exonerated. Perhaps the people's imagination tends to exaggerate the risks, but they created resistance that one has to consider. We cannot appear to be acting whimsically or arbitrarily, not caring about anybody's opinion. I had to raise a lot of arguments in order to make the trip. A lot of people wrote to me, making dramatic appeals to the point that I began to wonder if I was coming for a visit or a funeral. [laughter, applause] In fact, they almost gave me their condolences. I, the deceased, was being given condolences. [Castro laughs, chuckles] Or else they were seeing me off. That was the main problem.

I argued that I had to come. How would the people who said we should make the visit feel, and how about those who defended the visit and engaged in arguments—how would they feel? And the future government leader who invited me—how would he feel? It would create a problem, a polemic. There were Venezuelans who said let him go, let us close the path to the enemy, do what the enemy wants.

I was not invited to Miami. There is a large colony [of Cuban expatriates] there. In fact, I have seen a lot of Cubans here who have impressed me with their attitude. A lot of them were young when they arrived here. I saw a priest today who came here when he was young. He has a tremendous, extraordinary attitude. He impressed all of us. Well, in any event, it was said that there was a large colony [of Cuban expatriates] here that was influential, that had resources. It was obvious that a campaign had been organized. Even the U.S. ambassador said that he did not like it, that he disagreed with my visit. And I said to myself, the Cubans who oppose the revolution could

oppose my visit to Miami; that is understandable. They could object to me visiting New Jersey, New York, or Washington. However, I was invited to a Latin American country, a brother country. There is no reason for me to go there to speak in English. [applause] I was invited to Caracas, Venezuela, a city, a country, with many heroic, patriotic traditions, which has written an indelible page in internationalistic history. How could I not visit that country? It is like a fighter who has to fight, like a gladiator who has to fight and rejects it.

I could not really resign myself to such an idea. But with such conditions, the factor that weighed the most was that I had already decided to make the visit. I used all my persuasive arguments. I even said: What is this compared to last year? Last year at this time we had a lot of men out; we had 50,000 men in Angola facing a very critical situation, facing the powerful South African Army. You cannot imagine how painful, how hard, a situation like that is if you are not in the battlefield. And it was always my custom to be there alongside the comrades during the entire struggle. Political circumstances at that time made it almost impossible for us to be in Cuito Cuanavale or in southern Angola where the most important incidents were taking place. I said if we have sent, if we are leading and risking the lives of tens of thousands of men, we cannot resign ourselves to the fact that defending the same cause—it is the same here, there, and everywhere [Castro changes thought] we simply cannot abstain from flying because there is some risk. I think that was a very strong argument. I said I would rather make the visit with all the risks than face a situation like we had last year—although we were not the ones risking our lives; just our morals. In fact, we were risking the revolution.

A revolution can be lost in a single battle regardless of how fair the battle has been. I have said that I greatly prefer this year, a year in which success has been attained with a minimum of sacrifices, a year in which we have attained a great victory. We have attained peace. I prefer this year rather than the situation we faced last year. I believe my arguments in this respect are strong arguments and deserve to be taken into account; my arguments helped me defeat the internal resistance.

However, under such circumstances, your message, your publications, the declaration you made that was signed by over 800 intellectuals and artists was, in our opinion, one of the decisive elements in this struggle, in this battle we were facing. This was of such significant help that it can never be forgotten. I remember the day when the news, the cables, came, everyone was talking about your declaration. It was deeply appreciated. It was very encouraging, particularly for the comrades who had so many concerns, and it was a big incentive for us. This is why I am saying, under such special circumstances and with no exaggeration at all, that your declaration deserves and has generated endless appreciation.

Your declaration was not simply a political declaration. It became an important security element for the trip, because in all these matters involving risks, one can not simply be defended by escorts or physical protection, but rather by moral protection. I pay great importance to morals in the struggle and even in war because a strong moral stance disarms and demoralizes the enemy. A weak moral stance encourages and prepares the enemy. This is why I am saying that your declaration not only had a very significant value in the political, moral, or psychological aspect, it also became a very important security element.

I am talking about this now, when we all have participated in such battles, and when the situation has spectacularly changed. I believe that slanderers, conspirators, and those who encourage crime, murders, and attacks are now demoralized due to public opinion and the reaction of the people of Caracas. In this sense I have felt very encouraged because one of the arguments I brandished was that I believe in the Venezuelan people. [applause] I believe in the Venezuelan people. [Castro repeats himself] [applause] I believe in the sense of honor of those people responsible for the institutions in this country. I have had the same experience all my life. I have always had the same experience and have received the reward of believing in the people, of believing in the peoples. It is impossible that North... [Castro changes thought] that Latin American people, that a sister nation—regardless of how cumbersome and large the propaganda may have been—will ever ignore its instincts, its feelings, or its intuitions, and the significance of 30 years defending a cause in a firm and determined manner. That will not be forgotten.

Thus, I trusted the people and with much determination left for Caracas. Two planes were going to come here. I am telling you some tactical information. [laughter] When I was getting ready to board my plane, the first plane to take off reported there were some vibrations in one of its engines. Well, we had a schedule with an arrival time and everything else. Therefore, I said: Well, if there is one plane left, let us take that plane. We were heading toward that plane when suddenly I saw the plane was taking off. We were told that the pilots went to the plane, put the engines at maximum power, and took off. I was [words indistinct] coming with one plane, but I said: I will not miss that invitation under any circumstance and I will not arrive one minute late. These were the circumstances surrounding the trip, and, to be brief, I really appreciate that the situation has changed.

I am very happy that I did not neglect you. I had no idea you were going to write this letter, this declaration containing so many signatures. Imagine if you had written this letter and then this gentleman [laughter] had never shown up in Venezuela! There has really been a major change in the situation. I will never forget what you have done.

That was basically what I wanted to tell you. We can spend the remainder of the time talking about any topic, any question, any issue—of political interest or otherwise—that you may wish to discuss. I am very happy to have the chance to meet with you. Now, where is the moderator, the boss? [applause]

[Moderator] Well, the microphones seem to be working better now. We will now proceed to present our letter. [applause] This letter shows we are gifted with insight because, as Commander Castro pointed out, it vouches for the security of our illustrious guest. [laughter] I think we are ready now to begin our dialogue. Please identify yourselves, because the lights do not let us see who is speaking. We now have Dr Hector Malave Mata, economics professor at the University of Venezuela. [applause] [Malave approaches Castro and hands him a book]

[Castro] A book! Great! Have you seen the title—"The Wanderings of Power"! [laughter] Very nice. The dedication says: For Commander Fidel Castro, with all my admiration. This book bears witness to my unyielding solidarity with the Cuban Revolution. Thank you. [applause]

[Malave] Commander, most of us here, if not all of us, have had the opportunity to hear and see you being interviewed on Venezuelan television. During these interviews, you have responded to an endless number of questions in a very specific and precise manner. You expressed your view on what the Latin American perspective is and should be. You mentioned economic integration as one of the Latin American countries' alternatives to face the continuous process of capital drain. This drain can be attributed to unequal exchange and to the deprivation resulting from the immense burden of the Latin American foreign debt. It can be attributed to all the mechanisms by which the forces of capitalism ensure that the Latin American economies remain subordinate and overpowered. You are perfectly aware... [20-minute station break]

[Central University of Venezuela Professor Luis Navarrete] I have two questions, or rather two topics. Commander Castro is free to comment on both or either of the two, as he chooses. One is a political topic and the other a cultural topic. These are the areas in which I am basically interested. This is the political topic: Commander, in the early 1970's, some Latin American ideologists said Latin America had to choose between socialism and fascism. Many countries on the continent, including Venezuela, however, have followed nonfascist democratic bourgeoisie ideas. Others like Grenada and Nicaragua have taken a nonsocialist, revolutionary, people's path. What do you think Cuba's position in this confrontation of alternatives has been? What do you think about the development of noncapitalist processes in America's near future?

The second topic is this: Cuban Vice President Carlos Rafael Rodriguez, who is here [applause], in his book "Cuba On Its Way to Socialism," which I constantly recommend to my students and in my political lectures, reassessed the middle class role in Latin America's revolutionary changes in light of the Cuban Revolution. What do you think this role is, and, specifically, what do you think is the middle class' contribution, particularly by the intellectuals, in the confrontation against the oligarchic-imperialist domination and in the struggle for Latin America's cultural autonomy?

[Castro] I do not think you have asked any of your students a more difficult question than this. [laughter] I will try to answer the first question, but Carlos will have to answer the second because he inspired it. [laughter] Rodriguez will have to explain his theory about the role of the middle class. [applause]

About this—how did you say—socialism-fascism alternative, I do not agree with this dilemma. We have had enough fascism in the past few years. I do not think we will have much more of it. Fascism is just another method with which the reactionaries have confronted socialism and the peoples' progress. Fascism encouraged military coups in key countries. Fascists used methods in some countries, like Chile and Argentina, that would make Benito Mussolini himself turn pale. Terror was used and people were reported missing. We have to ask who trained these repressive organizations, what courses they attended and where, and who were their instructors in torture and crime. Training centers to repress the people were created. This is why the things that happened in some of these countries did not happen even in fascist Germany, which perpetrated terrible crimes, practiced genocide, and led millions of people to the gas chambers. But however terrible and cruel these gas chambers were, they were less terrible than the crimes perpetrated in some of these countries. At least the relatives of those sent to the gas chambers know what happened. The person had been killed, was murdered, and he was definitely dead. But where are the tens of thousands, the many thousands—I do not want to exaggerate—who disappeared in many of these countries? I know of terrible cases of families that have a member who was reported missing. After 5 years, the relatives are still dreaming about hearing from him somewhere. After 10 years, they are still dreaming of seeing him again, against all reasonable hope. Somebody tells these relatives stories and makes them have false hopes. They have even been swindled by someone who promises to do something. I know of many such cases of people who have passed through our country. Torture and very cruel and refined methods were used. Others were brutal oppressors, repressors, and murderers, but they did not approach the refined brutality and murderousness of some of these Latin American governments that we have been acquainted with in the recent past.

Therefore, I do not think we are [in an era] preceding these processes. There is no absolute rule. Serious things may happen in some countries, but this is not the trend.

I think imperialism has already run out of all its resources, of its last methods, to maintain its system of domination, and the trend is more and more toward more popular and progressive governments in [word indistinct], despite the fact that there may be a lapse here and there. I think fascism has no future and is no longer even an imperial resource to stop our peoples' advance. This is what I think.

I do not think socialism has to be the alternative. Socialism may be our wish and it must be the aspiration of the people who have a keener awareness of where the future of mankind lies. However, it would not be right to suggest it as an alternative. It might even divide or frighten people. I think it will be, in the long run, the inevitable process of the future. If anybody asks me... [Castro changes thought]. Apparently this room does not have good acoustics or it is not sufficiently noise-free because one can hear voices out there. I am a strong believer in socialism. I truly believe more and more in socialism, and I believe it in because I first conceived it as an illusion, as a dream, but I have come to view it, over the years, as a fabulous experience that has taught me very much.

I do not mean to become a propagandist of socialism. That is not my intention and I believe everyone realizes that. This is not what we have been doing. Socialism does not depend on the simple will of men but on concrete and specific conditions that will make it viable. In my opinion, it would not be right to make socialism an immediate goal in our countries. I have a different idea. I think independence... [Castro changes thought]. It sounds strange, but there has been a great deal of talk about our having become independent and about our being independent, but we are now more dependent than ever.

Therefore, I think the first thing we have to conquer is independence. Independence is what we are conquering. Independence is what is being manifested through many actions of current, not future, governments. We have to work with current governments and we have to become united with regard to essential issues. I said the first is independence. The second is, together with independence, survival. We have to solve the debt problem. We have to resolve the extraordinarily profound economic crisis we are experiencing. We have to resolve the problems of unequal trade. We have to struggle for a new international economic order. We have to struggle for integration. We cannot sit down and wait for all governments to become socialist and then integrate. That would mean leaving for who knows when the battle for all of these objectives, which range from independence to integration. There would be no sense in doing that.

However, all governments could become socialist but integration would not be carried out because socialism does not necessarily mean integration. Even within socialism some national selfishness arises and chauvinism may even arise within socialism. This is not how it is in theory, but this can be seen in practice.

I think the idea of integration is understood by many. It is understood by proletarians, peasants, and even industrialists. I think we cannot wait until doomsday to struggle for integration or wait for socialism to struggle against the foreign debt and unequal trade or for the new economic order.

Yesterday, at the meeting with left-wing parties, somebody asked me if I thought the new economic order is possible under the capitalist-imperialist system. I said no, logically not; but it has been demonstrated that people can struggle. I gave the example of OPEC, whose members united and established a better economic order insofar as oil is concerned. OPEC is very peculiar and in many instances it has harmed many Third World countries that are oil importers. However, the Third World supported it because it saw it was a battle by a group of Third World countries and it naturally expected those OPEC countries to make a greater contribution to their development. Actually, much of that money wound up in European and U.S. banks. Many of the Third World countries were later loaned this money.

However, it turned out to be a good experience after all. The struggle by some countries for agreements on coffee, sugar, cacao, and aluminum exports are manifestations of struggles that can be waged even under the capitalist system and the imperialist system. However, no one is going to give these things to us scot-free. They have to take from the people. One would have to devise formulas to implement the so-called new order, which escapes the logic of the capitalist system. Of course, the capitalist system escapes logic every day, every day. [Castro repeats himself] [laughter] It abandons logic and free competition when there is protectionism. It abandons logic when there is dumping. It abandons logic when there is currency manipulation.

The system escapes logic constantly. We have to impose things on it to make it escape logic and we have to be able to impose them by imposing strength through unity. In the case of a demand that is highly revolutionary, because it would revolutionize international economic relations, we will have to seek mechanisms and will have to impose them. The system will not freely accept it. However, we can attain it if all of our Third World nations unite to seek this new international economic order, which is not new. It was approved by the United Nations over 10 years ago, but has not been put into practice.

Therefore, we must struggle to attain these objectives, and we can do so. We cannot wait for socialism to build it. We have to seek unity within countries to achieve these objectives. I am saying this, but it is not for everyone. I say that in the struggle to solve the foreign debt problem, there has to be internal unity and there

has to be unity among the countries to struggle for the new economic order. We talk about this often. We even addressed the workers about it during the meetings in 1985 in regard to the debt. The debt has to be written off. It is uncollectible, unpayable.

However, the money we save from this must not be used for consumption but for development. And, regarding the argument of those who say if we do not repay the debt we will not develop, we must tell them: with the money we are paying there is more than enough to develop. This is in general terms. There are always exceptions. There are people who cannot save because they are paying nothing and have nothing to save. Those who pay can still save. However, if we add up what they pay, it can be demonstrated mathematically that the amount is enough for development.

This is also a struggle. It is not proper to tell capitalists that the debt cannot be repaid. This also escapes capitalist and imperialist logic. However it simply cannot be done and it is not being repaid. And the payments that are being made are not, except in a few cases, for the principal. What is being paid is interest, and many are not paying interest because they cannot pay anything, and not paying interest escapes the capitalists' logic. However, they simply cannot pay and it is suicidal to continue to pay. It is suicidal for the economy of these countries, and even for the process of creating democratic openings.

This is an important issue. I said: We are concerned that there are democratic openings in many Latin American countries where governments are quickly losing capital, not in the economic but political sense. I asked myself: What is the danger—new military coups? People told me the danger is not new military coups. The countries are becoming so ungovernable and the crisis is so serious that masterminds of coups would not even think about one. [laughter] If the situation is good or normal it may happen. I mean, the danger is that there may be major social outbursts that might become widespread if no rational and logical solution is found; logical, that is, insofar as these problems are concerned.

What we have told the governments and the various parts of society is that this is in your interest too. I think this is the kind of struggle one can implement in practice. If we come to believe that it is fascism or socialism, we would (?first) have to ... [Castro changes thought] what we are proposing would be unrealistic. Even a slogan could be misunderstood, but conditions are not ripe for this type of choice. The conditions may arise in the future, but I would say not in the immediate future.

I think we must struggle for independence and the consolidation of the processes of democratic openings and to struggle united behind these banners, which are so important and which are so helpful in creating awareness.

This is a broad overview—so as not to wander—of how I see the current situation. We can now give the floor to Comrade Carlos Rafael Rodriguez.